



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2016

Dear Shareholders,

I am pleased to report the first half financial performance of your Company for FY2016/17. The Group witnessed mixed performance during the period. Group reported a cumulative revenue growth of 15.4% to Rs. 29.4 Bn with second quarter consolidated revenues increasing by 17.5% to Rs. 15.1 Bn. Retail sector continued to lead its contribution to Group revenue with 32.7% up during 1HFY17 followed by ICT (31.3%), Healthcare Services (17.4%) and Financial Services (14.7%). Group's fully-owned subsidiaries contributions have witnessed a gradual increase and are expected to perform better in the upcoming periods.

Consolidated Gross Profit increased to Rs. 4.7 Bn during the second quarter of the financial year with cumulative first half Gross Profit increasing to Rs. 9.2 Bn.

Operational efficiencies and realization of Group synergies resulted in the operating cost margins to contract to 22.6% in 2QFY17 from 23.5% in the comparative quarter. The cumulative cost margins were maintained at 23% levels. Administration and distribution costs increased to 15.2% and 7.9% to Rs. 5.5 Bn and Rs. 1.4 Bn respectively for the first half of the financial year. The quarter reported a decline of 16.2% in distribution costs to Rs. 530.3 Mn while administrative costs increased 20.9% to Rs. 2.9 Bn due to normal business growth. Operating profit reached Rs. 2.9 Bn during the cumulative period while the quarter witnessed a marginal growth to Rs. 1.5 Bn.

Group EBITDA for the first half performance of the financial year was Rs. 3.9 Bn with the quarter reaching Rs. 2.0 Bn (up 3.6%).

The cumulative finance income for the period had declined by 9.7% to Rs. 412.2 Mn. This was as a result of the upward pressure in market interest rates and stock market volatilities affecting Softlogic Life Insurance PLC's investment portfolio since the beginning of the financial year. However, the quarter registered an increase of 16.8% of finance income to Rs. 254.7 Mn. Finance expenses of the Group increased 35.3% to Rs. 2.1 Bn during the period while the quarterly financial expenses increased to Rs. 1.2 Bn due to higher interest rates.

Growth of 28.2% in other operating income to Rs. 537.3 Mn during the first half of the financial year was primarily led by fees received for new loans at Softlogic Finance PLC. The quarterly growth of other operating income was Rs. 13.5% to Rs. 261.2 Mn.

Performance improvement at the associate companies, Sabre Travel Network and Nextage, enhanced the Group PBT further to improve 19.2% to Rs. 1.2 Bn during the cumulative period under discussion. The quarterly increase in PBT was 10.4% to Rs. 608.1 Mn.

Profit for the period during the six months of FY2016/17 improved 39.6% to Rs. 789.6 Mn while the quarter reported Rs. 361.2 Mn.

Information & Communications Technology

Information & Communication Technology reported a steady revenue growth of 22.2% to Rs. 9.2 Bn during the 1HFY17 with the quarter registering a strong 25.1% increase in turnover to Rs. 4.7 Bn. This sector's contribution to the Group revenue continued to improve making up 31.3% of the Group topline for 1HFY17 (29.5% contribution in 1HFY16).

ICT's segmental operating profit for the cumulative period was Rs. 433.5 Mn for the first half of FY2016/17 (14.9% Group contribution). The quarter reported a segmental operating profit of Rs. 172.6 Mn to make up 11.3% of Group's quarterly operating earnings.

Sector PBT for the cumulative period was Rs. 263.2 Mn while the quarterly ICT sector PBT was Rs. 86.0 Mn. ICT sector closed the period with a PAT of Rs. 200.1 Mn with the quarter generating a PAT of Rs. 72.6 Mn.

Telecommunication business emerged as the prime contributor to the ICT segment while expectations for Nokia Android's new smart phone launch in the forthcoming periods may improve performance further. The 'Samsung' business had reported strong volume growth during the quarter.

Retail

Retail sector registered a 10% growth in topline during the first half year of operations to Rs. 9.6 Bn with Odel and branded apparel performing better than expected whilst the quarter recorded an improvement of 10.9% to Rs. 4.9 Bn. Store and brand expansions coupled with increase in revenue per sq.ft of our retail space supported the business growth, although the electronic and consumer durable division saw challenges.

Operating profit improved a strong 28.7% to touch Rs. 1.0 Bn during 1HFY17 while the quarterly operating profit of the sector grew 36.1% to Rs. 582.2 Mn. Retail sector's contribution to the Group operating profit improved to 34.8% in 1HFY17 from 26.4% in the comparative period. Operating profit margins improved to 10.2% from 8.7% driven by synergies and cost efficiency programmes implemented to support the sector's expansion strategy.

Sector PBT improved 5.4% to Rs. 221.4 Mn for the quarter pushing the cumulative PBT by 15.3% to Rs. 369.8 Mn. Sectoral PAT for the quarter increased 8.3% to Rs. 164.1 Mn while cumulative PAT increased 11.8% to Rs. 257.6 Mn.

The Consumer Electronics opened its 236th showroom at Negambo taking its cumulative retail space to sq.ft as of today 293,000 sq.ft. The operation targets to reach 300,000 sq. ft by end of this financial year.

ODEL opened its 8th Luv SL store near Pinnawala Elephant orphanage, one of Sri Lanka's tourist attraction spots.

BURGER KING® recently opened its 12th restaurant at Panadura.

Healthcare Services

The Sector recorded Rs. 5.1 Bn to Group topline (17.4% contribution), which is 8.4% growth during 1HFY17. The quarter reported 12.1% increase to Rs. 2.7 Bn (i.e 17.8% contribution to the Group quarterly topline). Asiri Central Hospital Ltd. continued to lead the sector revenue ranking with 35.4%, Asiri Medical Hospital PLC (30.4% of sector revenue) and Asiri Surgical Hospital PLC (26.5% of sector revenue).

Operating profit of the sector was Rs. 555.4 Mn during the quarter while the same for the cumulative period was Rs. 983.7 Mn. Sector PBT was down 6.6% to Rs. 349.9 Mn during the quarter with the 1HFY17 reporting Rs. 598.7 Mn, down 22.8% due to the VAT impact. Sector PAT for the cumulative period was Rs. 585.3 Mn, down 11.2%. Healthcare Services performance was nonetheless solid despite volumes being dampened by VAT hike and the torrential rains and floods that impacted the 1QFY17. This systemic challenge was overcome by its competitive advantage, in technology and medical expertise.

Asiri Health expanded its laboratory footprint with 21 collection centers and one satellite lab (Badulla) in densely populated regions of the country during the financial year.

Asiri Health will continue its investments in new medical developments. A dedicated Liver Transplant Unit at Asiri Surgical Hospital PLC would soon be unveiled while a fully-fledged Oncology Unit with the state-of-the-art linear accelerator will be launched at the same hospital in the months to come. Asiri Hospital Kandy's construction is ongoing as scheduled and will be complete as per plan.

Financial Services

Financial Services segment saw a strong 18.5% growth in topline to Rs. 4.3 Bn during 1HFY17 with its contribution to the Group revenue constituting 14.7% whilst quarterly sector revenue registered a 19.4% growth to Rs. 2.2 Bn. The sector's PBT was Rs. 784.0 Mn for 1HFY17 in comparison to Rs. 215.7 Mn in the comparative period whilst the quarter reported a PBT of Rs. 394.8 Mn (Rs. 128.7 Mn in 2QFY16).

The Life Insurance business posted a 42% increase with Rs. 4.1 Bn revenues for nine months that was twofold of industry growth. Asian Alliance Life Insurance was re-branded as 'Softlogic Life' and the name of the company changed to Softlogic Life Insurance PLC to leverage off the parent brand and to develop greater synergies with other sectors of the Group. The General Insurance business was divested to the Fairfax Group. This will now allow Softlogic Life to focus fully on the fast growing and profitable Life Insurance market.

Softlogic Finance PLC saw Loan Advances growing 20% compared to the previous year to Rs. 16.1 Bn whilst Customer Deposits increased to Rs. 15.2 Bn, with Total Assets of the Company recording Rs. 22.5 Bn. The Company has developed a unique financing and service proposition to the SME market segment whilst growing customer confidence contributed substantially towards growth of the Deposit base.

Although, the investment climate remained subdued ahead of the local budget and US elections, Softlogic Stockbrokers recorded a steady performance and was ranked within the Top 3 in the Industry.

Automobile

Automotive sector continued to improve as a revenue growth of 64.7% was registered for the quarter to Rs. 398.8 Mn to take the cumulative sector turnover to Rs. 779.8 Mn (up 44.7%). Nonetheless, improved efficiencies are likely to see a turnaround with better financial management and planning.

Growth in volumes was primarily led by the Ford double cab segment whilst the spare parts and workshop revenue also contributed to the topline during the 2QFY17. Collision Repair business reported significant growth driven by strong alliances with a multitude of general insurance providers. King Long service and repair business saw an incremental source of income with the service centre also catering to other luxury coach brands.

Leisure

Leisure sector witnessed a revenue growth of 16.6% to Rs. 398.2 Mn during the first half of the financial year. A new Thai-restaurant, Suanbua, was opened at the resort in September. Aggressive marketing efforts led the off-peak September quarter at Ceysand Resorts to record an average occupancy of more than 80%. Softlogic would unveil the country's first 5 star city hotel in three decades-- Movenpick City Hotel—beginning next year.

Future Outlook

With the increase in VAT, and corporate taxes announced in the recent budget, the general business outlook is increasingly challenging. Nonetheless, with Softlogic's presence in the right sectors of the economy, it is expected that the upcoming periods would ensure greater stability and better performance as improvement in overall synergy and efficiency materializes with the unlocking of capital intensive projects in the Healthcare Services, Leisure and Retail sector.

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Ashok Pathirage

Chairman

15 November 2016

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 6 months to 30-09-2016	Unaudited 6 months to 30-09-2015	Change as a %	Unaudited 3 months to 30-09-2016	Unaudited 3 months to 30-09-2015	Change as a %	Audited 12 months to 31-03-2016
Continuing operations							
Revenue	29,408,511,505	25,490,259,128	15.37	15,051,166,513	12,805,738,244	17.53	56,112,601,331
Cost of sales	(20,205,937,470)	(16,923,247,097)	19.40	(10,373,477,717)	(8,523,400,760)	21.71	(37,396,361,596)
Gross profit	9,202,574,035	8,567,012,031	7.42	4,677,688,796	4,282,337,484	9.23	18,716,239,735
Other operating income	537,272,727	419,144,429	28.18	261,223,394	230,160,610	13.50	968,112,564
Distribution expenses	(1,381,761,157)	(1,280,201,774)	7.93	(530,336,840)	(632,736,114)	(16.18)	(2,971,178,595)
Administrative expenses	(5,454,328,299)	(4,733,184,269)	15.24	(2,876,080,525)	(2,379,114,705)	20.89	(10,434,482,932)
Results from operating activities	2,903,757,306	2,972,770,417	(2.32)	1,532,494,825	1,500,647,275	2.12	6,278,690,772
Finance income	412,231,431	456,603,286	(9.72)	254,671,429	218,098,903	16.77	1,059,256,615
Finance expenses	(2,104,686,911)	(1,555,816,387)	35.28	(1,204,735,118)	(769,519,067)	56.56	(3,249,698,879)
Net finance cost	(1,692,455,480)	(1,099,213,101)	53.97	(950,063,689)	(551,420,164)	72.29	(2,190,442,264)
Change in fair value of investment property	-	-	-	-	-	-	13,532,000
Share of profit of equity accounted investees	15,487,981	5,828,515	165.73	7,493,871	2,857,137	162.29	13,501,860
Change in insurance contract liabilities	(12,559,204)	(860,450,133)	(98.54)	18,224,788	(401,293,748)	(104.54)	(1,028,927,837)
Profit before tax	1,214,230,603	1,018,935,698	19.17	608,149,795	550,790,500	10.41	3,086,354,531
Tax expense	(313,612,892)	(373,899,859)	(16.12)	(214,465,416)	(209,866,038)	2.19	(905,301,158)
Profit for the period from continuing operations	900,617,711	645,035,839	39.62	393,684,379	340,924,462	15.48	2,181,053,373
Profit/ (loss) for the period from discontinuing operation	(111,005,996)	40,356,553	(375.06)	(32,474,105)	40,255,897	(180.67)	-
Profit for the year	789,611,715	685,392,392	15.21	361,210,274	381,180,359	(5.24)	2,181,053,373
Attributable to:							
Equity holders of the parent	195,585,418	199,681,130	(2.05)	93,794,108	116,013,469	(19.15)	722,046,693
Non-controlling interest	594,026,297	485,711,262	22.30	267,416,166	265,166,890	0.85	1,459,006,680
	900,617,711	645,035,839	39.62	393,684,379	340,924,462	15.48	2,181,053,373
Earnings per share - Basic	0.25	0.26	(2.01)	0.12	0.15	(19.12)	0.93
Dividend per share	0.50	0.25	100.00	-	-	-	0.25

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

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs.	Unaudited 6 months to 30-09-2016	Unaudited 6 months to 30-09-2015	Change as a %	Unaudited 3 months to 30-09-2016	Unaudited 3 months to 30-09-2015	Change as a %	Audited 12 months to 31-03-2016
Continuing operations							
Profit for the period	789,611,715	685,392,392	15.21	361,210,274	381,180,359	(5.24)	2,181,053,373
Other comprehensive income							
Other comprehensive income to be reclassified to income statement in subsequent periods							
Currency translation of foreign operations	(1,149,369)	6,982,575	(116.46)	(2,738,081)	7,829,111	(134.97)	(11,538,598)
Net change in fair value on derivative financial instruments	(12,371,882)	-	-	(341,764)	-	-	(106,930,240)
Net (loss) / gain on available-for-sale financial assets	105,063,402	(484,552,340)	121.68	851,250	(698,208,222)	100.12	(1,767,968,821)
Tax on other comprehensive income to be reclassified to income statement in subsequent periods	(9,143,113)	-	-	(5,092,970)	-	-	22,606,454
Net other comprehensive income to be reclassified to income statement in subsequent periods	82,399,038	(477,569,765)	(117.25)	(7,321,565)	(690,379,111)	(98.94)	(1,863,831,205)
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Revaluation of land and buildings	-	-	-	-	-	-	2,827,760,341
Re-measurement gain/ (loss) on retirement benefits	-	-	-	-	-	-	66,613,655
Share of other comprehensive income of equity accounted investments	-	-	-	-	-	-	(376,419)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	-	-	-	(41,590,810)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	-	-	-	2,852,406,767
Other comprehensive income from continuing operations for the period, net of tax	872,010,753	207,822,627	319.59	353,888,709	(309,198,752)	(214.45)	3,169,628,935
Other comprehensive income from discontinuing operations for the period, net of tax	72,882,792	(82,839,334)	187.98	69,575,389	(101,269,537)	168.70	-
Total comprehensive income for the period, net of tax	944,893,545	124,983,293	656.02	423,464,098	(410,468,289)	(203.17)	3,169,628,935
Attributable to:							
Equity holders of the parent	174,569,617	(44,768,217)	489.94	42,803,882	(230,690,549)	118.55	1,986,262,915
Non-controlling interest	770,323,928	169,751,510	353.80	380,660,216	(179,777,740)	311.74	1,183,366,020
	944,893,545	124,983,293	656.02	423,464,098	(410,468,289)	(203.17)	3,169,628,935

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

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 30-09-2016	Unaudited as at 30-09-2015	Audited as at 31-03-2016
ASSETS			
Non-current assets			
Property, plant and equipment	32,941,749,379	26,433,884,945	30,760,141,516
Lease rentals paid in advance	853,240,505	854,277,438	853,758,972
Investment property	682,880,000	94,848,000	682,880,000
Intangible assets	8,605,487,266	8,748,201,860	8,701,078,597
Investments in associates	73,729,303	29,412,637	60,241,336
Other non-current financial assets	11,055,546,238	12,075,754,400	11,770,455,928
Rental receivable on lease assets and hire purchase	240,929,804	1,103,312,522	481,364,790
Other non-current assets	310,413,315	257,254,662	385,626,456
Deferred tax assets	298,675,292	267,600,506	245,373,503
	55,062,651,102	49,864,546,970	53,940,921,098
Current assets			
Inventories	8,184,678,405	8,158,929,320	8,730,040,986
Trade and other receivables	9,005,439,116	8,851,482,618	8,444,525,068
Loans and advances	14,266,103,302	10,194,790,017	11,222,013,402
Rental receivable on lease assets and hire purchase	667,963,899	533,730,547	1,102,341,200
Amounts due from related parties	316,693	2,924,782	807,734
Other current assets	4,137,940,257	4,490,865,763	3,551,690,639
Short term investments	4,127,412,034	6,160,299,043	4,508,634,254
Cash in hand and at bank	2,538,036,606	1,482,066,280	2,958,753,845
	42,927,890,312	39,875,088,370	40,518,807,128
Subsidiary assets held-for-sale	2,901,135,429	-	-
	45,829,025,741	39,875,088,370	40,518,807,128
Total assets	100,891,676,843	89,739,635,340	94,459,728,226
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	1,396,180,105	1,147,718,327	1,643,838,961
Other components of equity	2,712,739,296	1,110,006,702	2,666,667,707
	9,197,919,401	7,346,725,029	9,399,506,668
Non-controlling interests	8,162,927,145	8,272,774,375	8,046,845,071
Total equity	17,360,846,546	15,619,499,404	17,446,351,739
Non-current liabilities			
Insurance contract liabilities	6,170,759,381	5,989,722,472	6,158,200,177
Interest bearing borrowings	25,223,689,143	22,427,838,071	21,231,336,127
Public deposits	1,502,801,625	1,775,908,022	1,521,942,995
Deferred tax liabilities	375,273,712	298,111,430	381,478,410
Employee benefit liabilities	717,080,811	700,103,537	688,105,084
Other deferred liabilities	10,788,187	3,212,955	1,609,638
Other non-current financial liabilities	39,873,645	22,403,078	28,732,581
	34,040,266,504	31,217,299,565	30,011,405,012
Current liabilities			
Trade and other payables	6,649,841,882	8,358,096,595	7,725,457,941
Amounts due to related parties	16,653,659	14,938,534	47,339,959
Income tax liabilities	249,064,897	347,783,067	403,919,344
Other current financial liabilities	13,487,898,214	13,368,468,087	14,875,266,676
Current portion of interest bearing borrowings	7,599,530,749	6,680,298,013	7,188,714,116
Other current liabilities	1,515,849,256	922,983,110	1,155,142,814
Public deposits	14,714,420,588	11,204,778,988	12,470,267,755
Bank overdrafts	3,330,627,595	2,005,489,977	3,135,862,870
	47,563,886,840	42,902,836,371	47,001,971,475
Subsidiary liabilities held-for-sale	1,926,676,953	-	-
	49,490,563,793	42,902,836,371	47,001,971,475
Total equity and liabilities	100,891,676,843	89,739,635,340	94,459,728,226

Note : The above figures are not audited unless otherwise stated.

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

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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 2016
Colombo

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Unaudited 6 months to 30-09-2016	Unaudited 6 months to 30-09-2015	Audited 12 months to 31-03-2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations	1,214,230,603	1,018,935,698	3,086,354,531
Profit before tax from discontinuing operations	(109,589,288)	45,717,070	-
Profit before tax	1,104,641,315	1,064,652,768	3,086,354,531
Adjustments for:			
Finance income	(487,041,783)	(547,696,182)	(1,059,256,615)
Finance cost	2,108,368,449	1,559,840,560	3,249,698,879
Change in fair value of investment property	-	-	(13,532,000)
Share of results of associates	(15,487,981)	5,828,515	(13,501,860)
Gratuity provision and related costs	86,089,537	73,243,300	151,091,113
Provisions for/ write off of impaired receivables	81,629,052	27,800,000	124,450,862
Provision for impairment of inventories	64,018,661	80,200,000	216,992,560
Provisions for/ write off of loans and advances	145,019,721	116,840,711	244,287,301
Provisions for/ write off of investments in lease and hire purchase	24,213,699	95,574,026	104,384,153
Depreciation of property, plant and equipment	809,407,251	731,885,205	1,535,469,422
Profit on sale of property, plant and equipment	(12,300,640)	(852,583)	(3,328,749)
Profit on sale of investments	(55,134,894)	(73,910,483)	(110,282,192)
(Profit)/ loss on disposal of investment property	-	(2,000,000)	803,680
Unrealised (gain)/ loss on foreign exchange	6,195,275	115,392,442	17,392,624
Amortisation/ impairment of intangible assets	152,040,434	140,344,235	279,697,721
Amortisation of prepaid lease rentals	518,467	518,467	1,036,933
Provision for financial liabilities at fair value through profit or loss	-	-	3,096,355
Increase / (decrease) in deferred income	25,651,006	30,580,549	22,721,610
Impairment & derecognition of property, plant & equipment and Intangible assets	29,467,424	18,622,081	21,357,916
Profit before working capital changes	4,067,294,993	3,436,863,611	7,858,934,244
(Increase) / decrease in inventories	474,491,552	(569,566,474)	(1,277,470,701)
(Increase) / decrease in trade and other receivables	(1,223,057,026)	(2,256,479,512)	(2,095,457,658)
(Increase) / decrease in loans and advances	(1,930,207,186)	(5,610,970,238)	(2,916,785,712)
(Increase) / decrease in investments in lease and hire purchase	650,598,588	4,818,680,085	1,414,495,531
(Increase) / decrease in other current assets	(668,206,829)	(730,768,555)	(237,179,200)
(Increase) / decrease in amounts due from related parties	491,041	(2,352,729)	(235,681)
Increase / (decrease) in trade and other payables	613,797,718	1,316,256,481	673,189,714
Increase / (decrease) in amounts due to related parties	(30,686,300)	(1,032,250)	1,369,175
Increase / (decrease) in other current liabilities	502,742,912	(238,320,704)	94,619
Increase / (decrease) in public deposits	2,225,011,463	927,630,820	1,939,154,560
Increase / (decrease) in insurance provision	12,559,204	860,450,133	1,028,927,838
Cash generated from/ (used in) operations	4,694,830,130	1,950,390,668	6,389,036,729
Finance income received	429,865,857	343,676,814	809,484,568
Finance expenses paid	(2,191,469,969)	(1,494,897,887)	(3,213,373,741)
Dividend received	1,800,014	1,000,000	8,998,000
Tax paid	(599,815,477)	(295,593,069)	(550,268,367)
Gratuity paid	(38,986,337)	(29,065,308)	(52,297,920)
Net cash flow from/ (used in) operating activities	2,296,224,218	475,511,218	3,391,579,269
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(3,080,196,167)	(2,085,449,233)	(4,759,704,651)
Addition to intangible assets	(56,649,102)	(40,499,898)	(131,742,624)
(Increase)/ decrease in other non-current assets	(73,303,146)	35,538,305	(92,833,490)
(Purchase) / disposal of short term investments (net)	(1,137,155,953)	(1,080,905,680)	(743,727,475)
Dividends received	7,988,325	10,752,856	135,944,407
(Purchase) / disposal of other non-current financial assets	(325,655,985)	(694,497,166)	(1,251,117,200)
Proceeds from sale of investment property (net of tax)	-	1,500,000,000	1,497,196,320
Proceeds from sale of property, plant and equipment	109,665,347	66,333,860	109,327,701
Net cash flow from/ (used in) investing activities	(4,555,306,681)	(2,288,726,956)	(5,236,657,012)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Dividend paid to non-controlling interest	(412,569,410)	(27,349,156)	(181,008,974)
Proceeds from shareholders with non-controlling interest on issue of shares in subsidiaries	-	-	845,708,336
Repayment of non-controlling interest on repurchase of shares in subsidiaries	-	-	(368,726,833)
Proceeds from long term borrowings	8,078,229,965	6,651,688,464	10,812,256,492
(Increase) / decrease of controlling interest	(189,902,253)	(65,981,381)	(1,860,957,354)
(Increase) / decrease in other non-current financial liabilities	11,141,064	(9,307,542)	3,282,313
Repayment of long term borrowings	(3,686,450,546)	(5,071,195,509)	(10,403,803,296)
Proceeds from / (repayment of) short term borrowings (net)	(1,387,368,462)	(1,418,716,691)	109,057,570
Direct cost on issue of shares/ share repurchase	(40,718,147)	(523,890)	(32,797,264)
Dividend paid to equity holders of parent	(387,204,152)	(193,602,075)	(193,602,071)
Net cash flow from/ (used in) financing activities	1,985,158,059	(134,987,780)	(1,270,591,081)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(273,924,404)	(1,948,203,518)	(3,115,668,824)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	2,531,997,653	5,648,046,408	5,648,046,408
Effect of exchange rate changes	(24,321)	(138,492)	(379,931)
CASH AND CASH EQUIVALENTS AT THE END	2,258,048,928	3,699,704,398	2,531,997,653
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Continuing operations			
Favourable balances			
Cash in hand and at Bank	2,538,036,606	1,482,066,280	2,958,753,845
Short term investments	3,032,119,537	4,223,128,095	2,709,106,678
Unfavourable balances			
Bank overdrafts	(3,330,627,595)	(2,005,489,977)	(3,135,862,870)
Cash and cash equivalents from continuing operations	2,239,528,548	3,699,704,398	2,531,997,653
Cash and cash equivalents from discontinuing operations	18,520,380	-	-
Cash and cash equivalents	2,258,048,928	3,699,704,398	2,531,997,653

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

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs.	Attributable to equity holders of the parent										Non-controlling interests	Total equity
	Stated capital	Treasury shares	Revaluation reserve	Exchange translation reserve	Available-for-sale reserve	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve	Total		
As at 01 April 2016	5,089,000,000	(55,921,185)	3,754,705,394	(38,314,379)	(575,351,439)	190,324,200	(502,065,112)	(106,709,772)	1,643,838,961	9,399,506,668	8,046,845,071	17,446,351,739
Profit for the period	-	-	-	-	-	-	-	-	195,585,418	195,585,418	594,026,297	789,611,715
Other Comprehensive income	-	-	(4,675,761)	(1,149,369)	(2,844,296)	-	-	(12,346,374)	-	(21,015,800)	176,297,630	155,281,830
Total Comprehensive income	-	-	(4,675,761)	(1,149,369)	(2,844,296)	-	-	(12,346,374)	195,585,418	174,569,618	770,323,927	944,893,545
Dividend paid	-	-	-	-	-	-	-	-	(387,204,152)	(387,204,152)	-	(387,204,152)
Direct cost on issue of shares	-	-	-	-	-	-	-	-	(18,978,120)	(18,978,120)	(21,740,027)	(40,718,147)
Transfer to reserve fund	-	-	-	-	-	37,062,002	-	-	(37,062,002)	-	-	-
Acquisitions, disposals and changes in non-controlling interest	-	-	-	-	-	-	30,025,387	-	-	30,025,387	(219,932,416)	(189,907,029)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(412,569,410)	(412,569,410)
As at 30 September 2016	5,089,000,000	(55,921,185)	3,750,029,633	(39,463,748)	(578,195,735)	227,386,202	(472,039,725)	(119,056,146)	1,396,180,105	9,197,919,401	8,162,927,145	17,360,846,546
As at 01 April 2015	5,089,000,000	(55,921,185)	1,636,375,397	(26,775,781)	200,328,059	116,532,044	(502,197,708)	-	1,167,195,634	7,624,536,460	8,157,436,153	15,781,972,613
Profit for the period	-	-	-	-	-	-	-	-	199,681,130	199,681,130	485,711,262	685,392,392
Other Comprehensive income	-	-	-	6,982,575	(251,431,922)	-	-	-	-	(244,449,347)	(315,959,752)	(560,409,099)
Total Comprehensive income	-	-	-	6,982,575	(251,431,922)	-	-	-	199,681,130	(44,768,217)	169,751,510	124,983,293
Dividend paid	-	-	-	-	-	-	-	-	(193,602,075)	(193,602,075)	-	(193,602,075)
Direct cost on issue of shares	-	-	-	-	-	-	-	-	(522,993)	(522,993)	(898)	(523,891)
Transfer to reserve fund	-	-	-	-	-	25,033,369	-	-	(25,033,369)	-	-	-
Acquisitions, disposals and changes in non-controlling interest	-	-	-	-	-	-	(38,918,146)	-	-	(38,918,146)	(27,063,235)	(65,981,381)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(27,349,155)	(27,349,155)
As at 30 September 2015	5,089,000,000	(55,921,185)	1,636,375,397	(19,793,206)	(51,103,863)	141,565,413	(541,115,854)	-	1,147,718,327	7,346,725,029	8,272,774,375	15,619,499,404

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

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Unaudited 6 months to 30-09-2016	Unaudited 6 months to 30-09-2015	Change as a %	Unaudited 3 months to 30-09-2016	Unaudited 3 months to 30-09-2015	Change as a %	Audited 12 months to 31-03-2016
Revenue	309,806,431	295,469,716	4.85	153,569,538	147,785,316	3.91	600,385,932
Cost of sales	(96,295,823)	(87,050,622)	10.62	(47,532,064)	(44,495,370)	6.82	(179,629,772)
Gross profit	213,510,608	208,419,094	2.44	106,037,474	103,289,946	2.66	420,756,160
Dividend income	374,543,387	146,473,425	155.71	127,034,624	145,297,168	(12.57)	1,169,827,933
Other operating income	1,102,927,409	12,498,918	8,724.18	2,692,601	7,651,495	(64.81)	719,453,832
Administrative expenses	(296,880,947)	(157,523,262)	88.47	(122,919,012)	(77,928,106)	57.73	(385,586,997)
Results from operating activities	1,394,100,457	209,868,175	564.27	112,845,687	178,310,503	(36.71)	1,924,450,928
Finance income	386,133,909	152,644,076	152.96	203,675,699	77,807,480	161.77	359,796,925
Finance expenses	(918,071,750)	(553,102,403)	65.99	(506,286,195)	(280,863,824)	80.26	(1,220,414,677)
Net finance cost	(531,937,841)	(400,458,327)	32.83	(302,610,496)	(203,056,344)	49.03	(860,617,752)
Change in fair value of investment property	-	-	-	-	-	-	95,383,063
Profit/ (loss) before tax	862,162,616	(190,590,152)	552.36	(189,764,809)	(24,745,841)	666.86	1,159,216,239
Tax expense	(15,000,000)	(4,000,000)	275.00	(2,500,000)	(2,000,000)	25.00	(127,446,638)
Profit/ (loss) for the period	847,162,616	(194,590,152)	535.36	(192,264,809)	(26,745,841)	618.86	1,031,769,601

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Unaudited 6 months to 30-09-2016	Unaudited 6 months to 30-09-2015	Change as a %	Unaudited 3 months to 30-09-2016	Unaudited 3 months to 30-09-2015	Change as a %	Audited 12 months to 31-03-2016
Profit/ (loss) for the period	847,162,616	(194,590,152)	535.36	(192,264,809)	(26,745,841)	618.86	1,031,769,601
Other comprehensive income							
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Re-measurement gain/ (loss) on retirement benefits	-	-	-	-	-	-	(7,236,739)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	-	-	-	2,026,286
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-	(5,210,453)
Total comprehensive income/ (loss) for the period, net of tax	847,162,616	(194,590,152)	(535.36)	(192,264,809)	(26,745,841)	618.86	1,026,559,148

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

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 30-09-2016	Unaudited as at 30-09-2015	Audited as at 31-03-2016
ASSETS			
Non-current assets			
Property, plant and equipment	189,660,153	138,978,320	130,772,378
Investment property	547,208,683	442,641,386	546,500,000
Intangible assets	2,871,250	4,295,754	2,510,822
Investments in subsidiaries	13,287,813,791	10,640,054,939	12,062,825,177
Investments in associates	11,000,000	11,000,000	11,000,000
Other non-current financial assets	2,076,867,245	1,277,946,624	468,957,025
Deferred tax assets	-	68,817,557	-
	16,115,421,122	12,583,734,580	13,222,565,402
Current assets			
Trade and other receivables	123,713,255	271,114,127	251,924,055
Amounts due from related parties	4,877,339,140	4,034,588,191	5,183,549,885
Other current assets	56,041,181	41,657,906	45,288,342
Short term investments	1,482,032,670	1,473,911,726	2,110,363,247
Cash in hand and at bank	82,978,958	26,956,402	105,683,489
	6,622,105,204	5,848,228,352	7,696,809,018
Total assets	22,737,526,326	18,431,962,932	20,919,374,420
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	1,830,884,988	152,073,072	1,373,222,372
Total equity	6,919,884,988	5,241,073,072	6,462,222,372
Non-current liabilities			
Interest bearing borrowings	7,550,322,986	5,794,329,128	4,533,628,353
Deferred tax liabilities	22,689,470	-	22,689,470
Employee benefit liabilities	43,299,099	33,968,070	43,389,551
Other non-current financial liabilities	165,000,000	165,000,000	165,000,000
	7,781,311,555	5,993,297,198	4,764,707,374
Current liabilities			
Trade and other payables	99,005,115	49,125,712	31,361,772
Amounts due to related parties	126,733,689	33,589,627	270,683,835
Income tax liabilities	51,662,162	4,000,000	36,662,162
Other current financial liabilities	5,533,780,139	4,193,666,435	6,727,193,704
Current portion of interest bearing borrowings	2,099,666,407	2,785,074,981	2,354,816,617
Other current liabilities	22,947,993	13,927,456	30,333,590
Bank overdrafts	102,534,278	118,208,451	241,392,994
	8,036,329,783	7,197,592,662	9,692,444,674
Total equity and liabilities	22,737,526,326	18,431,962,932	20,919,374,420

Note : The above figures are not audited unless otherwise stated.

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

-sgd-

Group Chief Financial Officer

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

-sgd-
Chairman

-sgd-
Director

15 November 2016
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CASH FLOW

In Rs.	Unaudited 6 months to 30-09-2016	Unaudited 6 months to 30-09-2015	Audited 12 months to 31-03-2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before tax	862,162,616	(190,590,152)	1,159,216,239
Adjustments for:			
Finance income	(386,133,909)	(152,644,076)	(359,796,925)
Dividend income	(374,543,387)	(146,473,425)	(1,169,827,933)
Finance costs	918,071,750	553,102,403	1,220,414,677
Change in fair value of investment property	-	-	(95,383,063)
Gratuity provision and related costs	4,431,762	3,572,604	6,988,842
Provision for impairment of receivables	41,666,665	16,666,668	-
Provisions for/ write off of impaired investments	54,008,330	-	91,737,770
Depreciation of property, plant and equipment	13,325,108	9,981,433	21,199,039
Profit on sale of property, plant and equipment	(5,366,041)	(900,627)	63,245
Profit on sale of investments	(1,097,248,468)	-	(700,929,730)
Amortisation / impairment of intangible assets	1,885,104	561,711	2,346,643
Impairment & derecognition of property, plant & equipment	-	30,638	142,878
Profit before working capital changes	32,259,530	93,307,177	176,171,682
(Increase) / decrease in trade and other receivable	86,544,135	(46,056,203)	(10,199,464)
(Increase) / decrease in other current assets	(7,979,661)	(18,978,687)	(23,564,241)
(Increase) / decrease in amount due from related parties	(1,454,199,474)	(1,739,442,986)	(2,893,042,004)
Increase / (decrease) in trade and other payables	67,643,343	19,594,362	26,354,760
Increase / (decrease) in amount due to related parties	(143,950,146)	(459,331,339)	122,678,201
Increase / (decrease) in other current liabilities	(7,385,596)	(10,081,882)	6,324,253
Cash generated from / (used in) operations	(1,427,067,869)	(2,160,989,558)	(2,595,276,813)
Finance income received	366,964,486	149,940,730	370,641,133
Finance expenses paid	(890,938,339)	(547,031,149)	(1,209,603,618)
Dividend received	374,543,387	146,473,425	169,648,939
Tax paid	(2,773,179)	(955,118)	-
Gratuity paid/ transfers	(4,522,214)	(274,264)	(1,505,761)
Net cash flow from / (used in) operating activities	(1,583,793,728)	(2,412,835,934)	(3,266,096,120)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(35,394,717)	(2,148,603)	(10,902,646)
Addition to investment property	(708,683)	-	(8,475,551)
Addition to intangible assets	(2,245,532)	(3,133,957)	(3,133,957)
(Purchase) / disposal of other non current financial assets	-	-	808,990,523
Increase in interest in subsidiaries	(1,184,954,296)	(47,154,767)	(1,838,945,320)
Proceeds from disposal of controlling interest	1,153,205,820	-	1,979,727,343
Proceeds from sale of property, plant and equipment	17,235,875	14,712,664	18,758,978
Net cash flow from/ (used in) investing activities	(52,861,533)	(37,724,663)	946,019,370
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	4,507,140,407	2,215,080,660	2,524,765,770
Repayment of long term borrowings	(1,821,417,396)	(1,822,283,893)	(3,845,522,243)
Proceeds from / (repayment of) short term borrowings (net)	(1,193,413,565)	2,067,667	2,535,594,936
(Increase) / decrease in other non-current financial liabilities	-	-	(344,915,332)
Dividend paid to equity holders of parent	(389,500,000)	(194,750,000)	(194,750,000)
Net cash flow from/ (used in) financing activities	1,102,809,446	200,114,434	675,173,131
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(533,845,815)	(2,250,446,163)	(1,644,903,619)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	514,290,495	2,159,194,114	2,159,194,114
CASH AND CASH EQUIVALENTS AT THE END	(19,555,320)	(91,252,049)	514,290,495
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	82,978,958	26,956,402	105,683,489
Short term investments	-	-	650,000,000
Unfavourable balances			
Bank overdrafts	(102,534,278)	(118,208,451)	(241,392,994)
Cash and cash equivalents	(19,555,320)	(91,252,049)	514,290,495

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs.	Stated capital	Revenue reserve	Total
As at 01 April 2016	5,089,000,000	1,373,222,372	6,462,222,372
Profit for the period	-	847,162,616	847,162,616
Total comprehensive income	-	847,162,616	847,162,616
Dividend paid	-	(389,500,000)	(389,500,000)
As at 30 September 2016	5,089,000,000	1,830,884,988	6,919,884,988
As at 01 April 2015	5,089,000,000	541,413,224	5,630,413,224
Loss for the period	-	(194,590,152)	(194,590,152)
Total comprehensive income	-	(194,590,152)	(194,590,152)
Dividend paid	-	(194,750,000)	(194,750,000)
As at 30 September 2015	5,089,000,000	152,073,072	5,241,073,072

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

REVENUE AND PROFIT For the six months ended 30 September	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Continuing operations																
Revenue																
Total revenue	9,678,445,476	8,242,440,084	462,471,617	408,183,199	9,932,447,139	8,985,616,217	878,054,929	570,690,429	4,328,754,507	3,669,917,473	5,105,290,530	4,709,484,984	322,571,439	304,099,116	30,708,035,637	26,890,431,502
Inter group	(479,679,224)	(724,084,676)	(64,271,328)	(66,683,518)	(330,181,598)	(253,647,953)	(98,267,663)	(31,827,559)	(10,399,269)	(26,693,327)	-	-	(316,725,050)	(287,235,341)	(1,290,524,132)	(1,400,172,374)
Total external revenue	9,198,766,252	7,518,355,408	398,200,289	341,499,681	9,602,265,541	8,731,968,264	779,787,266	538,862,870	4,318,355,238	3,643,224,146	5,105,290,530	4,709,484,984	5,846,389	6,863,775	29,408,511,505	25,490,259,128
Operating profit/ (loss)	433,511,609	487,551,578	(31,448,704)	(46,378,386)	1,010,182,020	784,708,921	(8,224,137)	(3,221,090)	565,576,163	736,719,455	983,747,705	1,028,162,056	(47,987,350)	(14,772,117)	2,903,757,306	2,972,770,417
Finance income	12,084,466	3,431,981	3,962,059	5,431,187	37,446,947	12,059,460	51,041	110,425	336,784,780	398,566,175	9,941,322	34,790,695	11,960,616	2,213,363	412,231,431	456,603,286
Finance cost	(182,443,596)	(146,527,753)	(68,045,413)	(87,947,413)	(677,809,476)	(475,908,702)	(76,221,115)	(40,512,987)	(105,765,893)	(59,157,412)	(394,950,078)	(287,765,654)	(599,451,540)	(457,896,468)	(2,104,686,911)	(1,555,816,387)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,487,981	5,828,515
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(12,559,204)	(860,450,133)	-	-	-	-	(12,559,204)	(860,450,133)
Profit/ (loss) before taxation	263,152,479	344,455,806	(95,532,058)	(128,894,612)	369,819,491	320,859,679	(85,994,211)	(43,623,652)	784,036,046	215,678,085	598,738,949	775,187,097	(619,990,093)	(464,726,705)	1,214,230,603	1,018,935,698
Taxation	(63,007,728)	(90,653,744)	(1,285,887)	(4,065,407)	(112,271,417)	(90,486,359)	(5,847,511)	(6,492,313)	(77,662,617)	(39,953,589)	(13,454,560)	(116,211,646)	(40,083,172)	(26,036,801)	(313,612,892)	(373,899,859)
Profit/ (loss) from continuing operations	200,144,751	253,802,062	(96,817,945)	(132,960,019)	257,548,074	230,373,320	(91,841,722)	(50,115,965)	706,373,429	175,724,496	585,284,389	658,975,451	(660,073,265)	(490,763,506)	900,617,711	645,035,839
Profit/ (loss) for the period from discontinuing operation	-	-	-	-	-	-	-	-	(111,005,996)	40,356,553	-	-	-	-	(111,005,996)	40,356,553
Profit/ (loss) after taxation	200,144,751	253,802,062	(96,817,945)	(132,960,019)	257,548,074	230,373,320	(91,841,722)	(50,115,965)	595,367,433	216,081,049	585,284,389	658,975,451	(660,073,265)	(490,763,506)	789,611,715	685,392,392
Depreciation of property, plant & equipment (PPE)	35,691,332	31,961,695	89,402,622	85,666,556	182,921,239	170,828,640	19,467,394	17,977,617	87,500,358	71,945,524	380,974,417	343,406,078	13,449,888	10,099,095	809,407,250	731,885,205
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	518,467	518,467	-	-	518,467	518,467
Amortisation of intangible assets	29,699,199	8,194,538	7,554,466	23,880,427	30,034,685	29,186,620	-	-	78,606,041	74,260,000	4,260,939	4,260,940	1,885,104	561,710	152,040,434	140,344,235
Retirement benefit obligations and related cost	10,780,771	9,870,290	2,587,707	3,744,000	16,494,919	10,906,273	934,397	955,588	12,415,311	11,079,873	38,393,136	32,971,284	4,483,296	3,715,992	86,089,537	73,243,300
Purchase and construction of PPE	28,426,012	13,559,123	1,716,608,167	1,022,997,230	295,971,055	715,190,879	12,161,312	14,858,116	62,558,011	127,740,752	960,870,743	391,055,787	84,805,898	2,224,223	3,161,401,198	2,287,626,110
Additions to intangible assets	35,602,598	5,797,378	208,800	6,405,486	16,652,847	13,918,097	-	-	1,939,325	11,244,980	-	-	2,245,532	3,133,957	56,649,102	40,499,898

REVENUE AND PROFIT For the three months ended 30 September	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Continuing operations																
Revenue																
Total revenue	4,951,917,577	4,224,235,414	263,368,070	240,168,781	5,006,475,048	4,476,674,558	410,564,753	262,672,647	2,197,475,910	1,844,044,444	2,684,392,748	2,395,696,934	159,426,258	152,008,916	15,673,620,364	13,595,501,694
Inter group	(272,969,181)	(483,757,952)	(24,767,670)	(29,668,862)	(150,075,934)	(99,210,649)	(11,812,493)	(20,635,980)	(4,775,839)	(7,855,327)	-	-	(158,052,734)	(148,634,680)	(622,453,851)	(789,763,450)
Total external revenue	4,678,948,396	3,740,477,462	238,600,400	210,499,919	4,856,399,114	4,377,463,909	398,752,260	242,036,667	2,192,700,071	1,836,189,117	2,684,392,748	2,395,696,934	1,373,524	3,374,236	15,051,166,513	12,805,738,244
Operating profit/ (loss)	172,602,781	231,484,063	(4,602,495)	856,777	582,207,793	427,632,090	(19,416,026)	(4,999,928)	249,254,013	365,852,939	555,439,080	506,473,016	(2,990,321)	(26,651,682)	1,532,494,825	1,500,647,275
Finance income	8,059,566	(454,926)	2,149,882	4,424,380	23,202,357	3,665,014	25,520	47,733	209,797,391	190,812,161	3,638,453	18,557,863	7,798,260	1,046,678	254,671,429	218,098,903
Finance cost	(94,636,718)	(63,845,341)	(34,159,591)	(50,001,750)	(384,064,464)	(221,295,966)	(46,580,712)	(20,787,621)	(82,432,625)	(26,680,890)	(209,145,979)	(150,504,192)	(353,715,029)	(236,403,307)	(1,204,735,118)	(769,519,067)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,493,871	2,857,137
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	18,224,788	(401,293,748)	-	-	-	-	18,224,788	(401,293,748)
Profit/ (loss) before taxation	86,025,629	167,183,796	(36,612,204)	(44,720,593)	221,345,686	210,001,138	(65,971,218)	(25,739,816)	394,843,567	128,690,462	349,931,554	374,526,687	(341,413,219)	(259,151,174)	608,148,795	550,790,500
Taxation	(13,472,355)	(44,737,646)	(526,218)	(2,031,444)	(57,263,969)	(58,456,388)	(5,847,511)	(2,195,016)	(47,615,460)	(18,719,818)	(60,661,132)	(60,637,906)	(29,078,771)	(23,087,820)	(214,465,416)	(209,866,038)
Profit/ (loss) from continuing operations	72,553,274	122,446,150	(37,138,422)	(46,752,037)	164,081,717	151,544,750	(71,818,729)	(27,934,832)	347,228,107	109,970,644	289,270,422	313,888,781	(370,491,990)	(282,238,994)	393,684,379	340,924,462
Profit/ (loss) for the period from discontinuing operation	-	-	-	-	-	-	-	-	(32,474,105)	40,255,897	-	-	-	-	(32,474,105)	40,255,897
Profit/ (loss) after taxation	72,553,274	122,446,150	(37,138,422)	(46,752,037)	164,081,717	151,544,750	(71,818,729)	(27,934,832)	314,754,002	150,226,541	289,270,422	313,888,781	(370,491,990)	(282,238,994)	361,210,274	381,180,359
Depreciation of property, plant & equipment (PPE)	17,788,241	15,608,004	44,692,051	42,692,289	92,434,163	96,422,268	(1,014,164)	8,968,801	51,566,383	36,048,079	195,376,977	171,343,271	6,894,688	5,312,265	407,738,339	376,394,977
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	259,233	259,234	-	-	259,233	259,234
Amortisation of intangible assets	13,935,205	3,504,045	3,779,408	11,953,110	15,013,768	14,630,810	-	-	41,506,188	39,287,966	2,130,469	2,130,471	952,797	177,363	77,317,835	71,683,765
Retirement benefit obligations and related cost	5,387,349	5,043,022	1,077,118	1,892,000	7,763,937	6,433,668	374,694	452,794	6,245,551	5,496,239	23,504,653	16,804,071	2,241,648	1,929,690	46,594,590	38,051,425
Purchase and construction of PPE	23,274,130	12,022,703	1,040,703,004	647,930,370	172,994,211	127,222,753	(925,755)	5,166,879	(10,439,092)	67,323,002	561,667,841	210,506,817	76,389,729	826,433	1,863,664,068	1,070,098,957
Additions to intangible assets	24,791,330	3,919,711	208,800	6,276,174	(105,422)	4,486,536	-	-	833,036	5,925,744	-	-	2,245,532	3,133,957	27,973,276	23,742,122

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

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

As at 30 September	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Property, plant and equipment	208,649,573	207,855,493	9,984,079,593	7,216,513,617	6,366,702,734	5,134,118,592	339,549,345	369,517,648	836,022,430	835,817,668	12,834,276,978	10,849,179,370	190,270,606	139,657,082	30,759,551,259	24,752,659,470
Lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	853,240,505	854,277,438	-	-	853,240,505	854,277,438
Investment property	217,620,000	233,000,000	2,048,202,258	1,045,292,349	83,400,000	94,848,000	-	-	-	-	-	-	547,208,683	442,641,387	2,896,430,941	1,815,781,736
Intangible assets	217,790,342	165,532,676	5,162,461	6,675,877	355,945,376	368,005,592	-	-	71,241,907	87,491,094	-	-	2,871,250	4,295,754	653,011,336	632,000,993
Other non-current financial assets	5,019,928	5,033,387	-	-	389,024,164	59,020,286	-	1,500,000	10,260,398,053	11,470,800,357	401,104,093	536,872,630	-	2,527,740	11,055,546,238	12,075,754,400
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	240,929,804	1,103,312,522	-	-	-	-	240,929,804	1,103,312,522
Other non-current assets	24,754,495	13,143,751	10,939,512	10,174,978	213,444,978	107,168,760	3,827,169	2,327,169	3,500,000	117,606,670	5,833,335	6,833,334	48,113,826	-	310,413,315	257,254,662
Segment non-current assets	673,834,338	624,565,307	12,048,383,824	8,278,656,821	7,408,517,252	5,763,161,230	343,376,514	373,344,817	11,412,092,194	13,615,028,311	14,094,454,911	12,247,162,772	788,464,365	589,121,963	46,769,123,398	41,491,041,221
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73,729,303	29,412,637
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,115,823,525	4,115,823,525
Intangible assets through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,836,652,405	4,000,377,342
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	298,675,292	267,600,506
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,352,821)	(39,708,261)
Total non-current assets	673,834,338	624,565,307	12,048,383,824	8,278,656,821	7,408,517,252	5,763,161,230	343,376,514	373,344,817	11,412,092,194	13,615,028,311	14,094,454,911	12,247,162,772	788,464,365	589,121,963	55,062,651,102	49,864,546,970
Inventories	1,109,484,632	1,728,474,764	105,658,171	20,517,414	5,131,287,666	4,782,659,587	890,328,368	669,466,518	431,538,171	557,808,739	516,381,397	400,002,298	-	-	8,184,678,405	8,158,929,320
Trade and other receivables	2,992,195,195	2,517,308,787	109,122,595	66,418,676	4,303,026,110	3,823,878,044	194,382,417	147,701,185	952,421,541	1,876,728,456	443,537,689	408,855,275	10,753,569	10,592,195	9,005,439,116	8,851,482,618
Loans and advances	-	-	-	-	-	-	-	-	14,266,103,302	10,194,790,017	-	-	-	-	14,266,103,302	10,194,790,017
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	667,963,899	533,730,547	-	-	-	-	667,963,899	533,730,547
Other current assets	364,967,774	601,982,282	302,794,072	336,778,133	1,880,335,230	1,267,926,480	95,861,226	175,854,518	732,418,118	1,506,584,810	705,288,637	559,942,387	56,275,200	41,797,153	4,137,940,257	4,490,865,763
Short term investments	11,443,968	12,694,224	315,221	332,460	25,248,703	22,753,719	-	-	3,814,247,632	3,235,412,487	141,000,000	2,755,919,803	135,156,510	133,186,350	4,127,412,034	6,160,299,043
Cash in hand and at bank	595,973,299	305,200,777	221,218,444	183,137,754	332,977,974	302,730,576	3,759,302	18,836,926	913,753,652	405,834,256	383,990,148	237,536,057	86,363,787	28,789,934	2,538,036,606	1,482,066,280
Segment current assets	5,074,064,868	5,165,660,834	739,108,503	607,184,437	11,672,875,683	10,199,948,406	1,184,331,313	1,011,859,147	21,778,446,315	18,310,889,312	2,190,197,871	4,362,255,820	288,549,066	214,365,632	42,927,573,619	39,872,163,588
Subsidiary assets held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,901,135,429	-
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	316,693	2,924,782
Total current assets	5,074,064,868	5,165,660,834	739,108,503	607,184,437	11,672,875,683	10,199,948,406	1,184,331,313	1,011,859,147	21,778,446,315	18,310,889,312	2,190,197,871	4,362,255,820	288,549,066	214,365,632	45,829,025,741	39,875,088,370
Total assets															100,891,676,843	89,739,635,340
Insurance contract liabilities	-	-	-	-	-	-	-	-	6,170,759,381	5,989,722,472	-	-	-	-	6,170,759,381	5,989,722,472
Interest bearing borrowings	16,812,134	73,000,000	5,956,726,601	4,106,890,012	2,408,419,967	2,946,669,761	90,468,475	123,389,281	2,712,988,075	2,815,641,341	6,487,950,907	6,567,918,551	7,550,322,984	5,794,329,125	25,223,683,143	22,427,838,071
Public deposits	-	-	-	-	-	-	-	-	1,502,801,625	1,775,908,022	-	-	-	-	1,502,801,625	1,775,908,022
Employee benefit liabilities	103,467,484	102,763,395	12,347,441	12,181,425	109,420,151	104,599,947	5,022,016	5,655,555	75,438,939	76,065,200	367,556,155	364,187,475	43,828,625	34,650,540	717,080,811	700,103,537
Other deferred liabilities	10,590,279	1,827,542	-	-	197,908	1,385,413	-	-	-	-	-	-	-	-	10,788,187	3,212,955
Other non-current financial liabilities	35,350,009	16,142,726	4,523,636	-	-	-	-	-	-	6,260,352	-	-	-	-	39,873,645	22,403,078
Segment non-current liabilities	166,219,906	193,733,663	5,973,597,678	4,119,071,437	2,518,038,026	3,052,655,121	95,490,491	129,044,836	10,461,988,020	10,663,597,387	6,855,507,062	6,932,106,026	7,594,151,609	5,828,979,665	33,664,992,792	30,919,188,135
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	375,273,712	298,111,430
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	166,219,906	193,733,663	5,973,597,678	4,119,071,437	2,518,038,026	3,052,655,121	95,490,491	129,044,836	10,461,988,020	10,663,597,387	6,855,507,062	6,932,106,026	7,594,151,609	5,828,979,665	34,040,266,504	31,217,299,565
Trade and other payables	2,428,563,918	2,095,725,582	261,312,045	290,713,315	1,765,160,035	1,619,095,827	9,655,126	18,717,550	1,262,321,433	3,604,904,482	825,029,098	680,194,105	97,800,227	48,745,734	6,649,841,882	8,358,096,595
Other current financial liabilities	2,187,166,530	2,676,153,263	32,224,863	30,655,012	7,498,579,059	6,181,012,998	665,957,850	441,039,896	1,458,296,980	2,060,001,574	-	70,000,000	5,533,780,139	4,193,666,434	17,376,005,421	15,652,529,177
Current portion of interest bearing borrowings	65,000,000	78,692,391	600,517,041	169,645,679	2,897,510,748	2,070,014,897	28,488,770	29,198,967	952,422,655	645,533,938	955,925,122	1,128,298,060	2,099,666,413	2,785,074,981	7,599,530,749	6,906,458,913
Other current liabilities	473,572,341	279,026,049	114,526,191	24,842,499	158,231,170	177,714,626	12,154,460	5,038,600	620,224,806	384,867,860	113,370,495	37,256,826	23,769,793	14,236,650	1,515,849,256	922,983,110
Public deposits	-	-	-	-	-	-	-	-	14,714,420,588	11,204,778,988	-	-	-	-	14,714,420,588	11,204,778,988
Bank overdrafts	85,295,222	51,197,630	108,052,728	27,898,870	690,523,239	455,167,329	55,490,107	29,877,778	928,918,234	768,727,706	1,359,813,788	554,412,211	102,534,277	118,208,453	3,330,627,595	2,005,489,977
Segment current liabilities	5,239,598,011	5,180,794,915	1,116,632,868	543,755,375	13,010,004,251	10,503,005,677	771,746,313	523,872,791	19,936,604,696	18,668,814,548	3,254,138,503	2,470,161,202	7,857,550,849	7,159,932,252	51,186,275,491	45,050,336,760
Income tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	249,064,897	347,783,067
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,653,659	14,938,534
Subsidiary liabilities held-for-sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,926,676,953	-
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,814,784,160)	(2,510,221,990)
Total current liabilities	5,239,598,011	5,180,794,915	1,116,632,868	543,755,375	13,010,004,251	10,503,005,677	771,746,313	523,872,791	19,936,604,696	18,668,814,548	3,254,138,503	2,470,161,202	7,857,550,849	7,159,932,252	47,563,886,840	42,902,836,371
Total liabilities															81,604,153,344	74,120,135,936
Total segment assets	5,747,899,206	5,790,226,141	12,787,492,327	8,885,841,258	19,081,392,935	15,963,109,636	1,527,707,827	1,385,203,964	33,190,538,509	31,925,917,623	16,284,652,782	16,609,418,592	1,077,013,431	803,487,595	89,696,697,017	81,363,204,809
Total segment liabilities	5,405,817,917	5,374,528,578	7,090,230,546	4,662,826,812	15,528,042,277	13,555,660,798	867,236,804	652,917,627	30,396,592,716	29,332,411,935	10,109,645,565	9,402,267,228	15,451,702,458	12		

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Softlogic Holdings PLC, is a public limited company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange.

The interim financial statements of the Group and the Company for the three months ended 30 September 2016 were authorised for issue by the Board of directors on 15 November 2016.

2. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2016.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim financial statements are presented in Sri Lankan Rupees.

3. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

The results of Asian Alliance Insurance PLC's (AAI) life business segment is consolidated line by line into the Group's consolidated income statement. The change in life insurance contract liabilities represents the difference between all income and expenditure attributable to life policy holders during the period.

Valuation of Life Insurance Fund

A valuation of the long term life insurance fund at 30 September 2016 was conducted by Messer. Towers Watson India Private Limited (known as 'Willis Towers Watson'), on behalf of Asian Alliance Insurance PLC (AAI).

Recommended transfer of surplus

Willis Towers Watson recommended transfer of Rs. 330.00 mn for the three months ending 30 September 2016 to AAI. This is reflected in the Group Financial Statements pending advice from the Insurance Board of Sri Lanka (IBSL) to AAI on this transfer.

4. DISCONTINUING OPERATION

The directors of Asian Alliance Insurance PLC, a subsidiary of Softlogic Holdings PLC announced that on 24 June 2016, the company entered into a Share Sales and Purchase Agreement for the sale of entire stake in Asian Alliance General Insurance Ltd to Fairfax Asia Ltd or another nominated member of the Fairfax Group.

The said transaction was completed on 03 October 2016 and Asian Alliance Insurance PLC divested its 100% stake in Asian Alliance General Insurance Ltd to Fairfax Asia Ltd.

Although the sale to a third party occurred subsequent to the reporting date, these Interim Financial Statement have been prepared to reflect the impact of the discontinuation of a significant business segment (i.e. General Insurance business) as required by SLFRS - 5 "Non-Current Asset Held-for-Sale and Discontinued Operations".

The General Insurance Business segment was not previously classified as "held-for-sale" or "discontinued operation". The comparative "Statements of Income" and *Statement Comprehensive Income" have been restated to reflect the impact of the discontinuation of a significant business segment (i.e. General Insurance business).

The disclosures relating to reclassification of a significant business segment (i.e. General Insurance business) as required by SLFRS - 5 "Non-Current Asset Held for Sale and Discontinued Operations" are as follows.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4. DISCONTINUING OPERATION (Cont....)

4.1 Summarised Income Statement of discontinuing operation

For the six months ended 30 September	2016	2015
Revenue	959,713,629	792,530,432
Cost of sales	(870,198,304)	(592,831,427)
Gross profit	89,515,325	199,699,005
Other operating income	32,372,499	15,816,230
Distribution expenses	(10,097,822)	(22,887,958)
Administrative expenses	(292,508,104)	(233,978,930)
Results from operating activities	(180,718,102)	(41,351,653)
Finance income	74,810,351	91,092,896
Finance expenses	(3,681,538)	(4,024,174)
Net finance cost	71,128,813	87,068,722
Profit before tax	(109,589,289)	45,717,069
Tax expense	(1,416,707)	(5,360,516)
Profit/ (loss) for the period from discontinuing operations	(111,005,996)	40,356,553

4.2 Summarised Other Comprehensive Income Statement of discontinuing operation

For the six months ended 30 September	2016	2015
Net change in fair value on derivative financial instruments	95,489,246	(82,839,334)
Tax on other comprehensive income	(22,606,454)	-
Net other comprehensive income/ (loss) for the period from discontinuing operations	72,882,792	(82,839,334)

4.3 Summarised Cash flow Statement of discontinuing operation

For the six months ended 30 September	2016	2015
Net cash flow from/ (used in) operating activities	267,963,050	(90,016,810)
Net cash flow from/ (used in) investing activities	(430,614,586)	17,394,768
Net cash flow from financing activities	300,000,000	-
Net increase / (decrease) in cash and cash equivalents	137,348,464	(72,622,042)
Cash and cash equivalents at the beginning	(118,828,084)	(119,438,700)
Cash and cash equivalents at the end from discontinuing operations	18,520,380	(192,060,742)

5. SHARE INFORMATION

5.1 Public share holdings

The percentage of shares held by the public as at 30 September 2016 was 28.17% (number of public shareholders - 13,212)

5.2 Directors' share holdings

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

As at	30-09-2016
A K Pathirage - Chairman/ Managing Director	365,471,472
G W D H U Gunawardena	57,527,300
R J Perera	60,836,700
H K Kaimal	64,870,800
M P R Rasool	Nil
Dr S Sellaih	2,000,000
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
R A Ebell	Nil
Prof. A S Dharmasiri	Nil
	550,706,272

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

5.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-09-2016	%
1 Mr. A K Pthirage	326,521,472	41.92
2 Mr. H K Kaimal	64,870,800	8.33
3 Mr. R J Perera	60,836,700	7.81
4 Mr. G W D H U Gunawardena	57,527,300	7.38
5 Pemberton Asian Opportunities Fund	46,000,000	5.91
6 Commercial Bank of Ceylon PLC/ A K Pathirage	38,950,000	5.00
7 Rubber Investment Trust Ltd - A/C 01	12,190,827	1.56
8 Employees Provident Fund	7,230,500	0.93
9 Asian Alliance Insurance PLC - A/C 02 (Life Fund)	4,591,702	0.59
10 Mrs. A Selliah	4,236,000	0.54
11 Arunodhaya Investments (Private) Limited	3,950,000	0.51
12 Arunodhaya Industries (Private) Limited	3,950,000	0.51
13 Arunodhaya (Private) Limited	3,950,000	0.51
14 Miss. S Subramaniam	3,800,000	0.49
15 Mr. V Kailasapillai	3,800,000	0.49
16 Mrs. A Kailasapillai	3,800,000	0.49
17 Ceylon Investment PLC - A/C 01	3,671,578	0.47
18 Mr. K Aravinthan	3,500,000	0.45
19 Deutsche Bank AG as Trustee for Namal Acuity Value	3,396,497	0.44
20 Waldock Mackenzie Ltd/ Hi-Line Trading (Pvt) Ltd	3,365,646	0.43

6. STATED CAPITAL MOVEMENTS

6.1 No of shares

	No of shares
As at 01 April 2016	779,000,000
As at 30 September 2016	779,000,000

6.2 Value of shares

	Rs
As at 01 April 2016	5,089,000,000
As at 30 September 2016	5,089,000,000

7. INVESTOR INFORMATION

7.1 Market value of shares

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

	30-09-2016
Closing price on (Rs.)	12.80
Highest price recorded for the three months ending (Rs.)	15.20
Lowest price recorded for the three months ending (Rs.)	14.90
Market Capitalisation (Rs. mn)	9,971.20

7.2 Ratios

Net assets per share at the period end (Rs.)	11.88
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7.3 Share trading information from 01 July 2016 to 30 September 2016

Number of shares traded	11,713,176
Value of shares traded (Rs.)	169,603,549

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

8. LISTED DEBENTURES

8.1 Details regarding the listed debentures are as follows;

10,000,000 rated unsecured redeemable debentures at the face value of Rs. 100.00 each with an annual effective interest rate of 16.70% were issued on 09 September 2013 and settled in fully on 09 September 2016.

8.2 Debenture trading information from 01 July 2016 to 09 September 2016

09-09-2016

Highest price recorded for the three months ending

N/A

Lowest price recorded for the three months ending

N/A

Debentures were not traded during the period from 01 July 2016 to 09 September 2016.

9. CONTINGENCIES

CONTINGENT LIABILITIES

There were no significant contingent liabilities as at the date of the statement of financial position other than those disclosed below, which require adjustments to or disclosures in the financial statements.

9.1 Softlogic Holdings PLC

Softlogic Holdings PLC received income tax assessments from The Department of Inland Revenue for the years of assessment 2009/10 and 2010/11. The company has lodged an appeal against the said assessment and The Department of Inland Revenue has issued their determination. The Management and the tax consultants has submitted an appeal to the Tax Appeal Commission on that determination.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

9.2 Asian Alliance Insurance PLC

VAT Assessments were received by Asian Alliance Insurance PLC in October 2011 and April 2013 in relation to taxable periods ended 31 December 2009 and 31 December 2010 amounting to Rs. 9.60 mn and Rs. 52.3 mn respectively.

The Company has filed an appeal in November 2011 on the basis that the underlying computation includes items which are exempt /out of scope of the Value Added Tax Act. The Commissioner General of Inland Revenue has determined the assessment and the Company has appealed to the Tax Appeals Commission and awaiting the final decision.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

9.3 Odel PLC

Odel PLC received an income tax assessment from The Department of Inland Revenue for the year of assessment 2009/10 amounting to Rs. 16.02 mn.

The company has lodged appeal against the said assessment and The Department of Inland Revenue has issued their determination and the Department of Inland Revenue issued their determination confirming the assessment. The Management and the tax consultants have submitted appeal to the Tax Appeal Commission on that determination.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

9.4 Odel Properties (Pvt) Ltd

Odel Properties (Pvt) Ltd received income tax assessments from The Department of Inland Revenue for the years of assessment 2011/12 and 2012/13 amounting to Rs. 10.50 mn. The company has lodged appeals against the said assessments.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

9.5 Softlogic Communications (Pvt) Ltd

Softlogic Communications (Pvt) Ltd received income tax assessments from The Department of Inland Revenue for the years of assessment 2009/10 and 2010/11. The company has lodged appeals against the said assessments and The Department of Inland Revenue has issued their determination. The Management and the tax consultants has submitted an appeal to the Tax Appeal Commission on that determination.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

10. CAPITAL COMMITMENTS

As at 30 September 2016, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 855 mn (30 September 2015 - 1,592 mn).

11. EVENTS AFTER THE REPORTING PERIOD

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

Sale of shares - Asian Alliance General Insurance Ltd

The directors of Asian Alliance Insurance PLC, a subsidiary of Softlogic Holdings PLC announced that on 24 June 2016, the company entered into a Share Sales and Purchase Agreement for the sale of entire stake in Asian Alliance General Insurance Ltd to Fairfax Asia Ltd or another nominated member of the Fairfax Group.

The closing of the aforesaid transaction is conditional on the completion of certain customary matters including approvals by the respective boards of directors and shareholders, regulatory approvals and other necessary third party approvals (as required) and Fairfax Asia (or another nominated member of the Fairfax Group) entering into an exclusive general insurance distribution agreement with Softlogic Holdings PLC.

The said transaction was completed on 03 October 2016.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

12. RELATED PARTY TRANSACTIONS

12.1 Transactions with related parties

In Rs.	Group		Company	
	6 months to 30-09-2016	6 months to 30-09-2016	6 months to 30-09-2016	6 months to 30-09-2015
Subsidiaries				
(Purchases) / sales of goods	-	-	(1,105,605)	(22,289,540)
(Receiving) / rendering of services	-	-	227,577,531	260,622,855
(Purchases) / sale of property plant & equipment	-	-	(20,658,716)	(1,361,145)
Loans given / (obtained)	-	-	743,011,109	1,165,703,150
Interest received / (paid)	-	-	268,166,969	67,403,932
Rent received / (paid)	-	-	21,216,667	22,570,090
Dividend received	-	-	373,111,249	146,350,126
Profit on disposal of shares	-	-	1,097,248,468	-
Guarantee charges received	-	-	70,462,195	57,716,173
Guarantees given / (obtained)	-	-	20,946,000,000	18,379,200,000
Associates				
(Purchases) / sale of property plant & equipment	596,584	2,322,596	-	-
(Receiving) / rendering of services	801,711	2,561,260	5,726,530	6,538,775
Dividend received	-	-	1,800,014	1,000,000
Key management personnel				
Loans given/ (received)	-	-	-	-
Guarantees given/ (received)	(940,000,000)	(1,331,000,000)	(100,000,000)	(100,000,000)
Loans given/ (deposits received)	(85,240,570)	(48,650,505)	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-

10.2 Terms and conditions of transactions with related parties

Transactions with related parties are carried out in the ordinary course of the business. Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

Softlogic Holdings PLC

CORPORATE INFORMATION

Name of Company

Softlogic Holdings PLC

Legal Form

Public Limited Liability Company.

Incorporated in Sri Lanka on 25 February 1998 as a Private Limited Liability Company under the Companies Act No. 17 of 1982.

Re-registered on 17 December 2007 as a Public Limited Liability Company under the Companies Act No. 07 of 2007.

The status of the Company was changed to a Public Limited Company on 10 December 2008. Subsequent to the listing of shares on the Main Board of Colombo Stock Exchange, the name of the Company was changed to Softlogic Holdings PLC on 25 August 2011.

Company Registration No

PV 1536 PB/PQ

Registered Office of the Company

14, De Fonseka Place,
Colombo 05

Sri Lanka

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 - w.e.f 01 July 2016

A Russell-Davison - w.e.f 05 October 2016

Audit Committee

R A Ebell - Chairman

Dr S Selliah

Prof. A S Dharmasiri

A Russell-Davison

HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

W M P L De Alwis, PC

G L H Premaratne

R A Ebell

A Russell-Davison

Related Party Transaction Committee

Dr S Selliah - Chairman

H K Kaimal

W M P L De Alwis, PC

Secretaries

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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