



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
31 DECEMBER 2021

Dear Shareholders,

Spectacular growth was achieved by the Group during one of the most turbulent times in its operating history as consolidated cumulative revenue pressed ahead to reach Rs. 84 Bn (up 46%) while the quarter recorded a strong 45% increase to clock Rs. 32 Bn.

Group revenue for the nine-month period was led by the Retail sector (54% contribution), Healthcare Services (20%) and Financial Services (19%) and IT (6%).

Gross Profit for the cumulative period was up 44% to clock Rs. 27 Bn while a 45% growth was recorded during the quarter to reach Rs. 11.3 Bn.

Distribution costs for the cumulative period increased 36% to Rs. 2.5 Bn while the quarterly cost figure rose 88% to Rs. 901 Mn. Administrative expenses increased 11% to Rs. 5.2 Bn during the quarter while 8% growth was recorded during the nine-month period. Cumulative operational costs increased 12% to Rs. 16.3 Bn with quarterly operating costs also edging up 18% to Rs. 6.1 Bn. This increase was primarily led by expansion at the retail and healthcare sectors.

Other operating income, which is primarily made up of commission and fee income stemming from financial services and retail sector and sundry income, witnessed an increase of 22% to Rs. 742 Mn during 1-3QFY22 while the quarter reported an upsurge of 76% to Rs. 339 Mn.

Group strategy became clearer as pieces of the puzzle fell into place providing more opportunities in the retail sector with repricing and better margins coupled with stronger demand due to the collective uncertainty followed by unprecedented growth in the financial services, particularly insurance, and healthcare sector amid the extraordinary economic and systemic challenges.

Early recovery is also seen across the non-core leisure sector with a resumption in tourist activities witnessed in recent times, which is very encouraging not only from a perspective of garnering foreign exchange but also in running the engine of tourism to avoid the adverse effects of inertia felt across the industry. Foreign exchange shortages cast a

temporary shadow over the economy but long-term solutions should be sought with cross-border and multilateral agencies without myopic quick fix solutions to ensure sustainable economic recovery. Softlogic with its diverse portfolio and long-term vision, will become a key beneficiary of post-pandemic rebound going forward.

EBITDA, OPERATING PROFIT & PAT

Due to increased revenues and cost discipline, cumulative Group EBITDA almost doubled to Rs. 14.3 Bn (up 91%) while the quarter witnessed a 76% growth in EBITDA to clock Rs. 6.6 Bn.

Operating profit for the cumulative period recorded a 139% growth to Rs. 11.4 Bn while the quarterly operating profit increased 97% to Rs. 5.6 Bn.

Finance income, which predominantly comprises the investment gains at Softlogic Life Insurance, saw an increase of 63% to Rs. 919 Mn during the quarter while the cumulative finance income increased 33% to Rs. 2.3 Bn.

Net finance costs declined 20% to Rs. 3.6 Bn for the cumulative period as a result of overall YoY decline in AWPLR. The quarter however, witnessed a marginal 3% increase in net finance costs to Rs. 1.26 Bn. AWPLR has gradually risen during FY22 with the year starting with 5.67% in April 2021 while edging up to 8.33% in December 2021.

The recent volatility in the interest rates led to the change in insurance contract liabilities to increase during the quarter. The quarter witnessed a transfer of Rs. 1.1 Bn in comparison to Rs. 593 Mn transfer last year. A transfer of Rs. 3 Bn was recorded for the cumulative period compared to Rs. 2.99 Bn in 1-3QFY21.

Cumulative PBT recorded more than a two-fold increase to Rs. 4.8 Bn, compared to a loss of Rs. 2.8 Bn in 1-3QFY21.

The quarter recorded a similar PBT growth to Rs. 3.2 Bn (up 224%).

PAT for the nine months ending December 2021 achieved a two-fold recovery in profitability to Rs. 3.1 Bn in comparison to a loss of Rs. 3 Bn in 1-3QFY22. The quarter recorded a remarkable increase to Rs. 2.2 Bn (up 184%).

RETAIL

Sector revenue improved with a strong 44% growth to Rs. 16.9 Bn during the quarter while the cumulative turnover figure reported a growth of 49% to Rs. 45.3 Bn. Cumulative sector EBITDA rose 88% to Rs. 4.3 Bn while the quarter witnessed a 94% surge to Rs. 2.3 Bn for the retail sector. Retail sector delivered another quarter of strong progress as cumulative PAT recorded a remarkable YoY turnaround to report Rs. 441.1 Mn compared to a loss of Rs. 1.96 Bn in 1-3QFY21. Quarterly PAT reached Rs. 934 Mn as opposed to a loss of Rs. 139 Mn in 3QFY21.

As the impact of coronavirus moves towards an endemic, shopping volumes overall increased. Consumers shifted their priorities spending on products, services, and experiences delivered online during the lockdown notwithstanding patronizing physical stores. This multi-channel distribution thrust given the significant size of the customer database, assisted the retail arm to outperform industry.

Sales of smartphones, laptops and electronics grew during the festive quarter led by higher demand for mid-to-premium products. Apparel and lifestyle products sales surged to exceed 2019's pre-Covid festive season levels. Electronics and smartphones would have outperformed previous benchmarks if supplies had not been constrained by forex restrictions. Improved consumer sentiments and demand drove higher ticket sizes, aided by improvements in income stability, tourism and low Covid infection rates during the period under discussion.

Group telecommunication segment recorded strong performance during the period with increased contribution to Group PAT. Softlogic is the only phone distributor catering the entire industry including the small-scale and large-scale dealers providing both the feature phone segment as well as the smartphone market leaving no demand unfulfilled. We also fulfill the handset supply requirements of the mobile operators, including Dialog Axiata and Mobitel.

Samsung has a large market share in the smartphone category and Softlogic continues to be the lead distributor for Samsung. Softlogic is the oldest player in the country's handset market, and we own the biggest network with over 2,000 retail distribution points. Our longstanding relationship with the dealers has been a core strength.

Suffice to say, the most anticipated sale of the year, "The Softlogic Black Friday Sale," collected over Rs. 1 Bn. The sale was both online and instore at our Consumer Electronics, Supermarkets, Fashion Restaurants and Furniture divisions.

The Consumer electronics segment recorded strong performance during the quarter amidst numerous supply-side challenges. The continuous improvement in the company's Cash to Hire Purchase equation has thereby improved the cashflow position of retail. Laptop and tablet sales surged during the period under review as they were mandatory to support WFH and online schooling.

Continued focus on sales of Original Equipment Manufacturer (OEM) products, those products manufactured for our own private label such as 'Softlogic' and 'Softlogic MAXMO' improved GP margins of the company. The industry also witnessed an increase in prices of the electronic products given the inventory shortage as a result of forex limitations. Another primary driver of GP margin growth was our decision to seek imports from other alternative destinations where freight costing is relatively cheaper.

We are looking at building a local manufacturing plant for electronics. Location assessment and the testing phase of products are currently underway. We expect the factory to begin operations in 1QFY23 after a detailed cost-benefit analysis. We will be initially serving the local market and will focus on 'washing machines' during the initial run. We will expand the product line and seek export opportunities over time.

The company's local modular furniture factory recorded significant growth in sales, particularly from the B2B consumer segment. Direct consumer furniture sales also continued to increase during the quarter

Softlogic's supermarket business, which rapidly progressed during and after the lockdown, continued to see new and returning customers. Glomark has established a larger than expected share of market niche in the country's supermarket industry. Our consistent supply of groceries during the most turbulent times of supply deficits, particularly the imported items was an industry positive. We have sought local food substitutes in some areas to overcome this import challenge. We will be opening the 12th Glomark outlet in Thalawathugoda in February. Our expansion plan will continue amid such challenges. Glomark won the Silver for 'Best Digital Marketing Innovation 2020', 'Digital Brand Bravery Awards 2020', 'Online & Offline Retail (Fashion/ Consumer Electronics)' at the SLIM DIGIS 2.1.

ODEL was affected by series of lockdown during the nine-month period, but online sales opened a new sales avenue. The company returned to profitability during the quarter primarily led by significant growth in store footfall post lockdown. 3QFY22 was the only quarter which did not witness any country lockdowns in FY22.

We will be opening an exclusive Polo Ralph Lauren store next week. Polo Ralph Lauren is a leading fashion label. The products will be retailed as a Shop-in-Shop within the ODEL department store at the One Galle Face Mall offering designer clothing for men, women and accessories and footwear.

ODEL Mall construction is progressing and is envisaged to open in 2023. Havelock City mall project is expected to open mid-2022. We will be anchor tenants at this new mall. We will see a Delifrance, Popeyes, Odel and some of the Exclusive Branded Apparel stores as well.

We are cautiously prioritizing and gradually overlooking the progress of the projects in the pipeline including The Kandy Mall and Colombo 14 projects.

Restaurants

Popeyes will be celebrating their first anniversary in February. The brand witnessed opening of three new outlets in Mount Lavinia, Negombo and Colombo 04 during its first year of operation. We will be opening five more Popeyes outlets this year. We will also soon open a Popeyes outlet at the BIA. Burger King opened its 23rd outlet in Kottawa and has witnessed exceptional response from the

region. Two new Burger King outlets have been planned during the year. Performance of Delifrance, after being moved to the ODEL promenade area, has recorded significant improvement. We also expect to open two Delifrance and two Baskin-Robbins outlets during the year. Further, we look forward to add three new international restaurant franchises to our portfolio this year.

HEALTHCARE SERVICES

Healthcare sector recorded strong financial performance during the period under discussion.

Cumulative sector revenue increased 49% to Rs. 16.6 Bn while the quarter also recorded a growth of 49% to Rs. 6 Bn. Asiri Hospital Holdings contributed 38% of the hospital group's cumulative topline followed by Central Hospital with 26% and Asiri Surgical Hospital making up 24%. Asiri AOI Cancer Centre, Asiri Matara, Asiri Hospital Galle and Asiri Diagnostics Services together contributed 12.6%.

Sector EBITDA for the quarter was Rs. 2.2 Bn (up 109%) while the cumulative EBITDA grew 93% to Rs. 5.4 Bn.

Sector operating profit for the cumulative period rose to Rs. 4.3 Bn, compared to Rs. 1.76 Bn in 1-3QFY21. The quarter also witnessed a 155% growth in operating earnings to Rs. 1.8 Bn.

Sector profitability recorded an impressive two-fold growth in PAT to Rs. 2.8 Bn in 1-3QFY22. The quarter reported a 53% growth in sector bottomline to Rs. 1.1 Bn.

Our continued focus on driving innovation and investments in state-of-the-art facilities and treatments have been a core business driver. Our diversified portfolio encompassing lab testing, nursing, wellness centres, OPD, specialized treatment units and hospitals have emerged to be Asiri's key competitive strength.

Asiri Health has been in the forefront during the harsh waves of the pandemic. We continued to serve the Covid patients at designated wards at Asiri Central and Asiri Medical Hospital.

We expect the momentum to solidify further in the upcoming periods with the rise of new variants, ageing population, obesity, growth in health awareness, increase in non-communicable diseases and increased spending in private healthcare.

INFORMATION TECHNOLOGY

Sector revenue grew 82% to Rs. 5.2 Bn during 1-3QFY22 while quarterly topline more than doubled to Rs. 2.4 Bn (Rs. 1.1 n reported in 3QFY21). This growth was primarily led by B2B revenues stemming from infrastructure modernizing projects.

Quarterly operating profit increased 118% to Rs. 355 Mn while cumulative operating earnings doubled to Rs. 695 Mn. Sector EBITDA also doubled to Rs. 385 Mn for the quarter while cumulative EBITDA improved 90% to Rs. 783 Mn. Sector's quarterly PBT increased to Rs. 331 Mn (up 126%) while Rs. 644 Mn was achieved during the cumulative period (up 140%). Quarterly PAT for the IT sector was Rs. 255 Mn (up 118%) while 1-3QFY22 recorded a PAT of Rs. 504 Mn (up 134%).

Many traditional companies lacked a strong integrated value chain and as a result, traditional methods continue to be modernized to fill those gaps. Education, shopping, medical services, payments, BPO services and many others are looking at innovative ways to be more productive, create completely new businesses, offer new services to their existing customer base and expand their reach to new customers. As such, digital adoption continues to grow in comparison with pre-pandemic levels and the traditional economy in Sri Lanka moves towards a digitalized economy. Softlogic's IT sector, is helping customers to accelerate their digital transformation by improving and strengthening business and workforce productivity. With our extensive portfolio of products and commitment to provide innovative globally proven solutions that extend from the 'mouse-to-cloud', we are today undoubtedly in the forefront of Sri Lanka's IT industry. Our plan to be the first to launch IT as-a-service in the country, and have thereby provided customers with greater flexibility to scale IT adoption to meet evolving business and budget needs especially during the new norm.

FINANCIAL SERVICES

A cumulative topline growth of 28% to Rs. 16.3 Bn was achieved in the Financial Services sector while a strong quarterly topline growth of 25% to Rs. 6.2 Bn was registered during 3QFY22.

Operating profit recorded a solid 74% growth to Rs. 3.6 Bn during 1-3QFY22 while the quarter witnessed a 17% improvement in operating earnings to Rs. 1.5 Bn.

Sector profitability recorded a phenomenal recovery as Rs. 1.4 Bn PAT was achieved for the nine-month period, as opposed to a loss of Rs. 56 Mn in 1-3QFY21.

Softlogic Life Insurance achieved a GWP of Rs. 20.1 Bn for the year ended December 2021, an increase of 28%. The Company continued its strong growth momentum and outperformed industry growth rates. Softlogic Life bagged 16 awards at the most prominent local and international industry awards ceremonies -- SLIM Brand Excellence Awards, Great Place To Work, Asia Sustainability Reporting Awards, CMA Excellence in Integrated Reporting, SAFA Best Presented Annual Reports (BPA) Awards, Asia Insurance Awards, SLIM Digi Awards and SMARTIES APAC Awards.

Softlogic Finance continued its profitable run during the quarter as the Company recorded a significant improvement of 179% in net interest income to Rs. 422 Mn during 3QFY22. Quarterly PAT was Rs. 96 Mn. Total assets improved 19% to clock Rs. 24.8 Bn.

AUTOMOBILE

The primary revenue drivers of the automobile sector are Ambulance sales and Spare parts and Servicing.

Automobile sector reported a turnover of Rs. 417 Mn during the nine months of financial year end 2020. The quarter witnessed an increase in topline to Rs. 87 Mn (up 73%) primarily led by Ambulance sales to the private and state-led organizations. Otherwise, import restrictions of vehicles hamper growth potential significantly.

LEISURE & REAL ESTATES

A strong recovery in the Group's two hotels was evident as social and travel restrictions were relaxed during 3QFY22. Quarterly sector revenue achieved a topline of Rs. 316 Mn (Rs. 64 Mn reported in 3QFY21) leading the cumulative topline to report Rs. 601 Mn (Rs. 179 Mn topline in 1-3QFY21). This was primarily led by local tourism at the resort while foreign arrivals also added to the city hotel revenues.

Rapid administration of Covid-19 booster doses to all personnel in the Tourism and Aviation sector in Sri Lanka will help us mark the country as a tourism destination that adopts all health protocols to effectively address COVID-19, and make the country a safe destination for foreign visitors. The Sri Lanka Tourism Development Authority (SLTDA) and Sri Lanka Tourism Promotion Bureau have already implemented special promotional programmes to attract more tourists to the country during the upcoming winter season.

FUTURE OUTLOOK

The economy cast a specter of uncertainty but for a diverse conglomerate, the opportunities are emerging in the most unexpected ways. With overseas travel restrictions imposed globally coupled with crippling FOREX shortages, businesses must make themselves more relevant in the domestic segment and become agile than ever before. With a workforce becoming more restless as they see opportunities in overseas regions, retaining the talent pool is becoming a challenge. However, while businesses become leaner and operate with less resources, upscaling areas of high priority to capture more market share when competition has weakened is another opportunity to seize. As we continue to expand the retail sector, our vision has always been to dominate the market with excellence. Plans are currently underway to expand in overseas markets for retail and insurance. With strategic alliances becoming inevitable, the outlook is becoming more visible as our core sectors – Retail, Healthcare and Financial Services – become dominant forces to reckon with despite the turbulent challenges ahead.

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Ashok Pathirage
Chairman
07 February 2022

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 09 months to 31-12-2021	Un-audited 09 months to 31-12-2020	Change as a %	Un-audited 03 months to 31-12-2021	Un-audited 03 months to 31-12-2020	Change as a %	Audited 12 months to 31-03-2021
Continuing operations							
Revenue from contract with customers	68,478,525	45,400,615	51	25,824,088	17,049,877	51	65,148,831
Revenue from insurance contracts	13,874,654	10,745,841	29	5,229,018	4,291,771	22	15,066,694
Interest income	2,070,417	1,760,699	18	813,257	584,976	39	2,405,067
Total revenue	84,423,596	57,907,155	46	31,866,363	21,926,624	45	82,620,592
Cost of sales	(57,395,274)	(39,108,340)	47	(20,563,873)	(14,146,099)	45	(56,983,728)
Gross profit	27,028,322	18,798,815	44	11,302,490	7,780,525	45	25,636,864
Other operating income	742,157	608,892	22	339,355	193,254	76	923,451
Distribution expenses	(2,495,686)	(1,833,012)	36	(901,105)	(478,095)	88	(3,142,400)
Administrative expenses	(13,844,181)	(12,801,503)	8	(5,183,855)	(4,679,335)	11	(17,028,203)
Results from operating activities	11,430,612	4,773,192	139	5,556,885	2,816,349	97	6,389,712
Finance income	2,343,612	1,764,387	33	919,011	564,897	63	2,880,607
Finance expenses	(5,959,461)	(6,302,603)	(5)	(2,180,707)	(1,794,938)	21	(8,401,804)
Net finance cost	(3,615,849)	(4,538,216)	(20)	(1,261,696)	(1,230,041)	3	(5,521,197)
Change in fair value of investment property	-	-	-	-	-	-	98,500
Share of loss of equity accounted investees	(11,833)	(21,285)	(44)	(1,781)	(7,806)	(77)	(23,697)
Change in insurance contract liabilities	(3,018,251)	(2,985,885)	1	(1,097,778)	(593,345)	85	(4,111,061)
Profit/ (loss) before tax	4,784,679	(2,772,194)	(273)	3,195,630	985,157	224	(3,167,743)
Tax expense	(1,688,521)	(248,892)	578	(982,757)	(204,810)	380	(197,158)
Profit/ (loss) for the period	3,096,158	(3,021,086)	(202)	2,212,873	780,347	184	(3,364,901)
Attributable to:							
Equity holders of the parent	799,427	(3,525,064)	(123)	1,254,104	58,249	2,053	(4,583,848)
Non-controlling interest	2,296,731	503,978	356	958,769	722,098	33	1,218,947
	3,096,158	(3,021,086)	(202)	2,212,873	780,347	184	(3,364,901)
Earnings/ (loss) per share							
Basic	0.67	(2.96)	(123)	1.05	0.05	2,053	(3.84)

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 09 months to 31-12-2021	Un-audited 09 months to 31-12-2020	Change as a %	Un-audited 03 months to 31-12-2021	Un-audited 03 months to 31-12-2020	Change as a %	Audited 12 months to 31-03-2021
Profit/ (loss) for the period	3,096,158	(3,021,086)	(202)	2,212,873	780,347	184	(3,364,901)
Other comprehensive income							
Continuing operations							
Other comprehensive income to be reclassified to income statement in subsequent periods							
Currency translation of foreign operations	4,689	(25,437)	(118)	(752)	(9,595)	(92)	(34,052)
Net change in fair value on derivative financial instruments	(79,580)	128,866	(162)	-	(68,047)	(100)	(168,590)
Net income/ (loss) on financial instruments at fair value through other comprehensive income	(328,789)	220,618	(249)	(129,603)	(23,667)	448	162,543
Net other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods	(403,680)	324,047	(225)	(130,355)	(101,309)	29	(40,099)
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Revaluation of land and buildings	37,025	-	-	37,025	-	-	1,061,153
Re-measurement gain/ (loss) on employee benefit liabilities	(10,103)	4,648	(317)	(10,103)	4,648	(317)	(45,152)
Share of other comprehensive profit of equity accounted investments (net of tax)	-	-	-	-	-	-	287
Net loss on equity instruments at fair value through other comprehensive income	(280,203)	(352,583)	(21)	(194,996)	(136,477)	43	(300,918)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	607,302	(100)	-	607,302	(100)	593,823
Net other comprehensive income/ (loss) not to be reclassified to income statement in subsequent periods	(253,281)	259,367	(198)	(168,074)	475,473	(135)	1,309,193
Other comprehensive income/ (loss) from continuing operations for the period, net of tax	(656,961)	583,414	(213)	(298,429)	374,164	(180)	1,269,094
Total comprehensive income/ (loss) for the period, net of tax	2,439,197	(2,437,672)	(200)	1,914,444	1,154,511	66	(2,095,807)
Attributable to:							
Equity holders of the parent	483,447	(3,188,082)	(115)	1,128,070	207,617	443	(3,664,240)
Non-controlling interest	1,955,750	750,410	161	786,374	946,894	(17)	1,568,433
	2,439,197	(2,437,672)	(200)	1,914,444	1,154,511	66	(2,095,807)

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. '000	Un-audited as at 31-12-2021	Un-audited as at 31-12-2020	Audited as at 31-03-2021
ASSETS			
Non-current assets			
Property, plant and equipment	53,216,067	52,154,049	53,522,589
Investment property	2,017,117	1,815,380	1,913,880
Right of use assets	6,420,463	5,899,495	6,015,883
Intangible assets	8,518,131	8,719,146	8,743,639
Investments in equity accounted investments	45,047	59,005	56,879
Non-current financial assets	23,785,808	19,959,510	20,983,765
Rental receivable on lease assets and hire purchase	9,094,207	3,604,990	4,596,942
Other non-current assets	7,163,162	5,481,167	5,483,366
Deferred tax assets	3,005,662	3,263,673	3,403,359
	113,265,664	100,956,415	104,720,302
Current assets			
Inventories	14,174,000	9,080,395	12,631,624
Trade and other receivables	12,997,876	11,625,999	12,355,587
Loans and advances	8,738,937	9,315,421	8,989,576
Rental receivable on lease assets and hire purchase	984,520	629,054	665,762
Amounts due from related parties	2,387	2,258	2,274
Other current assets	4,257,388	4,154,619	3,725,846
Short term investments	15,047,679	12,692,534	12,243,650
Cash in hand and at bank	13,228,929	7,931,910	7,580,957
	69,431,716	55,432,190	58,195,276
Total assets	182,697,380	156,388,605	162,915,578
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(11,188,024)	(10,917,908)	(11,976,552)
Other components of equity	4,447,163	5,220,824	5,681,762
	5,378,374	6,422,151	5,824,445
Non-controlling interests	13,336,401	12,608,468	12,421,760
Total equity	18,714,775	19,030,619	18,246,205
Non-current liabilities			
Insurance contract liabilities	20,966,245	16,841,078	17,947,994
Interest bearing borrowings	36,291,122	37,205,532	38,200,549
Lease liabilities	4,551,358	3,909,702	4,117,610
Public deposits	2,472,832	3,676,664	3,035,139
Deferred tax liabilities	2,436,681	2,266,991	2,323,342
Employee benefit liabilities	1,698,372	1,448,157	1,594,029
Other deferred liabilities	5,725	17,193	3,604
Other non-current financial liabilities	558,956	543,219	832,106
	68,981,291	65,908,536	68,054,373
Current liabilities			
Trade and other payables	22,918,668	14,466,186	18,815,377
Amounts due to related parties	28,919	30,000	31,992
Income tax liabilities	646,967	349,332	66,123
Other current financial liabilities	33,132,662	27,646,424	25,925,388
Current portion of interest bearing borrowings	14,437,130	8,354,220	11,840,103
Current portion of lease liabilities	1,562,016	1,560,706	1,409,733
Other current liabilities	3,016,809	1,446,614	940,565
Public deposits	12,803,342	11,581,665	11,545,678
Bank overdrafts	6,454,801	6,014,303	6,040,041
	95,001,314	71,449,450	76,615,000
Total equity and liabilities	182,697,380	156,388,605	162,915,578

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

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Group Finance Director

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

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Chairman

-sgd-

Director

07 February 2022

Colombo

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs. '000	Attributable to equity holders of parent										Non-controlling interest	Total equity
	Stated capital	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Fair value reserve of financial assets at FVOCI	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve	Total		
As at 01 April 2021	12,119,235	309,613	7,662,068	(77,382)	(816,260)	263,436	(793,132)	(866,581)	(11,976,552)	5,824,445	12,421,760	18,246,205
Profit for the period	-	-	-	-	-	-	-	-	799,427	799,427	2,296,731	3,096,158
Other Comprehensive income/ (loss)	-	-	14,721	4,689	(251,860)	-	-	(79,513)	(4,017)	(315,980)	(340,981)	(656,961)
Total Comprehensive income/ (loss)	-	-	14,721	4,689	(251,860)	-	-	(79,513)	795,410	483,447	1,955,750	2,439,197
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	6,882	-	-	-	(6,882)	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	(929,518)	-	-	(929,518)	(258,309)	(1,187,827)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(782,800)	(782,800)
As at 31 December 2021	12,119,235	309,613	7,676,789	(72,693)	(1,061,238)	263,436	(1,722,650)	(946,094)	(11,188,024)	5,378,374	13,336,401	18,714,775
As at 01 April 2020	12,119,235	309,613	6,464,774	(43,653)	(738,331)	263,436	(774,775)	(698,124)	(7,395,133)	9,507,042	12,218,723	21,725,765
Loss for the period	-	-	-	-	-	-	-	-	(3,525,064)	(3,525,064)	503,978	(3,021,086)
Other Comprehensive income/ (loss)	-	-	290,366	(25,437)	(58,993)	-	-	128,757	2,289	336,982	246,432	583,414
Total Comprehensive income/ (loss)	-	-	290,366	(25,437)	(58,993)	-	-	128,757	(3,522,775)	(3,188,082)	750,410	(2,437,672)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	103,191	-	-	103,191	129,025	232,216
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(489,690)	(489,690)
As at 31 December 2020	12,119,235	309,613	6,755,140	(69,090)	(797,324)	263,436	(671,584)	(569,367)	(10,917,908)	6,422,151	12,608,468	19,030,619

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

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 09 months to 31-12-2021	Un-audited 09 months to 31-12-2020	Audited 12 months to 31-03-2021
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Profit/ (loss) before tax from continuing operations	4,784,679	(2,772,194)	(3,167,743)
Adjustments for:			
Finance income	(2,343,612)	(1,764,387)	(2,880,607)
Finance cost	5,959,461	6,302,603	8,401,804
Change in fair value of investment property	-	-	(98,500)
Share of results of equity accounted investees	11,833	21,285	23,697
Gratuity provision and related cost	232,716	234,738	333,769
Provisions for/ write-off of impaired receivables	127,003	162,929	547,177
Provision for write-off of inventories	65,636	81,980	152,305
Provisions for/ write-off of loans and advances	117,896	380,579	418,407
Provisions for/ write-off of investments in lease and hire purchase	41,042	23,443	55,275
Depreciation of property, plant and equipment	2,649,387	2,500,862	3,360,804
Profit on sale of property, plant and equipment and right of use assets	(43,797)	(24,092)	(9,439)
(Profit)/ loss on sale of investments	6	(2,760)	(32,109)
Unrealised loss/ (gain) on foreign exchange	124,021	(84,151)	(62,298)
Change in fair value of put option liability	-	-	(13,735)
Amortisation/ impairment of intangible assets	237,958	214,889	295,270
Impairment/ derecognition of property, plant and equipment and right of use assets	2,510	-	6,986
Amortisation right of use assets	1,212,277	1,169,229	1,610,387
Profit before working capital changes	13,179,016	6,444,953	8,941,450
(Increase)/ decrease in inventories	(1,608,011)	3,334,005	(294,947)
(Increase)/ decrease in trade and other receivables	(1,259,192)	1,197,006	545,864
Decrease in loans and advances	973,112	2,373,491	2,661,507
Increase in investments in lease and hire purchase	(4,857,065)	(2,097,202)	(3,157,695)
Increase in other current assets	(531,542)	(311,446)	(97,197)
(Increase)/ decrease in amounts due from related parties	(114)	2,412	2,396
Increase in trade and other payables	3,979,271	5,628,454	9,977,596
Decrease in amounts due to related parties	(3,073)	(2,405)	(413)
Increase/ (decrease) in other current liabilities	2,118,289	(4,384)	(587,190)
Decrease in deferred income	(39,921)	(96,543)	(33,379)
Increase/ (decrease) in public deposits	695,357	(1,758,113)	(2,435,624)
Increase in insurance contract liabilities	3,018,251	3,707,167	4,814,083
Cash generated from operations	15,664,378	18,417,395	20,336,451
Finance income received	1,896,645	1,268,550	1,821,220
Finance expenses paid	(5,068,594)	(5,396,334)	(6,935,595)
Tax paid	(598,690)	(374,853)	(515,804)
Gratuity paid	(138,476)	(156,554)	(159,234)
Net cash flow from operating activities	11,755,263	13,758,204	14,547,038
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(2,371,835)	(2,008,622)	(3,143,590)
Addition to intangible assets	(13,065)	(125,897)	(71,501)
Increase in other non-current assets	(1,679,796)	(541,134)	(543,482)
(Purchase)/ disposal of short term investments (net)	1,011,124	(3,472,034)	(1,795,283)
Dividends received	27,655	17,111	56,259
Purchase of non-current financial assets	(3,594,169)	(4,527,401)	(5,881,505)
Acquisition of business, net of cash acquired	-	(147,137)	(118,385)
Proceeds from sale of property, plant and equipment	108,533	73,123	78,496
Net cash flow used in investing activities	(6,511,553)	(10,731,991)	(11,418,991)

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 09 months to 31-12-2021	Un-audited 09 months to 31-12-2020	Audited 12 months to 31-03-2021
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from shareholders with non-controlling interest on issue of equity shares in subsidiaries	8,467	578,744	673,530
Dividend paid to non-controlling interest	(782,800)	(489,690)	(1,446,921)
Increase in interest in subsidiaries	(1,236,315)	(2,539)	(179,262)
Proceeds from long term borrowings	6,981,018	9,269,379	15,159,997
Repayment of long term borrowings	(6,648,978)	(5,869,414)	(7,840,552)
Repayment of lease liabilities	(1,533,468)	(1,226,223)	(1,997,770)
Decrease in other non-current financial liabilities	(273,151)	(304,873)	(2,250)
Proceeds from/ (repayment of) other current financial liabilities (net)	7,207,274	(135,947)	(1,880,737)
Net cash flow from financing activities	3,722,047	1,819,437	2,486,035
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,965,757	4,845,650	5,614,082
CASH AND CASH EQUIVALENTS AT THE BEGINNING	10,535,990	4,919,883	4,919,883
Effect of exchange rate changes	(503)	(7,189)	2,025
CASH AND CASH EQUIVALENTS AT THE END	19,501,244	9,758,344	10,535,990
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	13,228,929	7,931,910	7,580,957
Short term investments	12,727,116	7,840,737	8,995,074
Unfavourable balances			
Bank overdrafts	(6,454,801)	(6,014,303)	(6,040,041)
Cash and cash equivalents	19,501,244	9,758,344	10,535,990

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

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs. '000	Un-audited 09 months to 31-12-2021	Un-audited 09 months to 31-12-2020	Change as a %	Un-audited 03 months to 31-12-2021	Un-audited 03 months to 31-12-2020	Change as a %	Audited 12 months to 31-03-2021
Revenue from contract with customers	733,749	665,989	10	258,928	228,016	14	893,104
Cost of sales	(292,232)	(223,495)	31	(108,997)	(89,223)	22	(297,536)
Gross profit	441,517	442,494	(0)	149,931	138,793	8	595,568
Dividend income	960,527	764,375	26	810,527	300,028	170	1,229,188
Other operating income	28,257	33,611	(16)	1,395	11,374	(88)	464,262
Administrative expenses	(305,242)	(285,943)	7	(96,508)	(91,224)	6	(398,319)
Results from operating activities	1,125,059	954,537	18	865,345	358,971	141	1,890,699
Finance income	1,293,558	1,692,761	(24)	402,195	540,339	(26)	2,171,341
Finance expenses	(2,376,580)	(2,606,782)	(9)	(861,879)	(782,363)	10	(3,364,088)
Net finance cost	(1,083,022)	(914,021)	18	(459,684)	(242,024)	90	(1,192,747)
Change in fair value of investment property	-	-	-	-	-	-	28,200
Profit before tax	42,037	40,516	4	405,661	116,947	247	726,152
Tax expense	-	-	-	-	-	-	29,613
Profit for the period	42,037	40,516	4	405,661	116,947	247	755,765

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

Softlogic Holdings PLC

STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 09 months to 31-12-2021	Un-audited 09 months to 31-12-2020	Change as a %	Un-audited 03 months to 31-12-2021	Un-audited 03 months to 31-12-2020	Change as a %	Audited 12 months to 31-03-2021
Profit for the period	42,037	40,516	4	405,661	116,947	247	755,765
Other comprehensive income							
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Actuarial gain on retirement benefits	-	-	-	-	-	-	6,662
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	(5,200)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	-	-	-	1,462
Tax on other comprehensive income	-	-	-	-	-	-	(1,599)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-	(137)
Total comprehensive profit for the period, net of tax	42,037	40,516	4	405,661	116,947	247	755,628

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

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 31-12-2021	Un-audited as at 31-12-2020	Audited as at 31-03-2021
ASSETS			
Non-current assets			
Property, plant and equipment	86,468	88,833	96,088
Investment property	822,700	794,500	822,700
Right of use assets	22,506	44,248	19,321
Intangible assets	-	1,743	975
Investments in subsidiaries	28,070,436	21,394,923	21,812,355
Investments in associates	41,000	41,000	41,000
Other non current financial assets	1,974,907	1,767,259	1,841,118
	31,018,017	24,132,506	24,633,557
Current assets			
Trade and other receivables	1,636,639	934,030	1,032,074
Amounts due from related parties	16,513,190	19,896,489	21,143,871
Other current assets	111,111	79,082	75,681
Short term investments	213,853	115,117	110,576
Cash in hand and at bank	1,435,807	2,010,045	1,530,983
	19,910,600	23,034,763	23,893,185
Total assets	50,928,617	47,167,269	48,526,742
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	2,938,175	2,175,826	2,896,138
Other components of equity	(20,300)	(15,100)	(20,300)
Total equity	15,037,110	14,279,961	14,995,073
Non-current liabilities			
Interest bearing borrowings	6,604,105	9,068,857	7,712,219
Lease liabilities	7,704	12,468	11,489
Deferred tax liabilities	156,269	184,283	156,268
Employee benefit liabilities	118,392	110,722	113,372
Other deferred liabilities	-	12,613	3,604
	6,886,470	9,388,943	7,996,952
Current liabilities			
Trade and other payables	233,085	233,292	75,652
Amounts due to related parties	13,299	5,969	49,202
Other current financial liabilities	20,859,297	19,316,208	19,554,760
Current portion of interest bearing borrowings	7,657,038	3,727,095	5,626,376
Current portion of lease liabilities	11,859	12,409	5,755
Other current liabilities	58,093	47,220	68,561
Bank overdrafts	172,366	156,172	154,411
	29,005,037	23,498,365	25,534,717
Total equity and liabilities	50,928,617	47,167,269	48,526,742

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

-sgd-

Group Finance Director

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

-sgd-

Chairman

-sgd-

Director

07 February 2022

Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs. '000	Stated capital	Fair value reserve of financial assets at FVOCI	Revenue reserve	Total
As at 01 April 2021	12,119,235	(20,300)	2,896,138	14,995,073
Profit for the period	-	-	42,037	42,037
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	42,037	42,037
As at 31 December 2021	12,119,235	(20,300)	2,938,175	15,037,110
As at 01 April 2020	12,119,235	(15,100)	2,135,310	14,239,445
Profit for the period	-	-	40,516	40,516
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	40,516	40,516
As at 31 December 2020	12,119,235	(15,100)	2,175,826	14,279,961

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

Softlogic Holdings PLC

COMPANY STATEMENT OF CASH FLOW

In Rs. '000	Un-audited 09 months to 31-12-2021	Un-audited 09 months to 31-12-2020	Audited 12 months to 31-03-2021
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Profit before tax	42,037	40,516	726,152
Adjustments for:			
Finance income	(1,293,558)	(1,692,685)	(2,171,341)
Dividend income	(960,527)	(764,375)	(1,229,188)
Finance cost	2,376,580	2,606,782	3,364,088
Change in fair value of investment property	-	-	(28,200)
Gratuity provision and related costs	8,997	9,830	19,141
Provisions for/ write-off of impaired receivables	-	-	13,178
Depreciation of property, plant and equipment	20,502	28,154	27,439
Amortisation right of use assets	18,699	19,357	34,378
Appreciation in market value of quoted shares	-	(76)	-
Profit on sale of property, plant and equipment and right of use assets	(6,153)	(5,823)	(6,903)
Profit on sale of investments	-	-	(410,500)
Amortisation/ impairment of intangible assets	974	2,843	3,612
Profit before working capital changes	207,551	244,523	341,856
Increase in trade and other receivable	(604,563)	(253,670)	(364,891)
(Increase)/ decrease in other current assets	(35,430)	(2,793)	609
Increase in amount due from related parties	(369,320)	(932,870)	(1,701,650)
Increase/ (decrease) in trade and other payables	157,433	(3,051)	(160,693)
Decrease in amount due to related parties	(35,904)	(89,240)	(46,007)
Increase/ (decrease) in other current liabilities	(10,465)	(46,377)	(25,039)
Decrease in deferred income	(18,018)	(27,027)	(36,036)
Cash used in operations	(708,716)	(1,110,505)	(1,991,851)
Finance income received	1,293,558	1,235,684	1,235,684
Finance expenses paid	(2,398,966)	(2,424,365)	(3,322,154)
Dividend received	960,527	764,375	1,229,188
Gratuity paid	(3,978)	(2,825)	(2,823)
Net cash flow used in operating activities	(857,575)	(1,537,636)	(2,851,956)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(16,307)	(25,129)	(25,400)
Addition to intangible assets	-	(3,119)	(3,119)
Increase in interest in subsidiaries	(1,258,081)	(1,338,300)	(1,345,232)
Purchase of other non current financial assets	(133,789)	(218,089)	(291,948)
(Purchase)/ disposal of short term investments (net)	(100,000)	-	-
Proceeds from sale of property, plant and equipment	11,578	35,356	40,074
Net cash flow used in investing activities	(1,496,599)	(1,549,281)	(1,625,625)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	3,570,035	3,306,000	4,817,651
Repayment of long term borrowings	(2,611,675)	(1,932,077)	(2,569,926)
Repayment of lease liabilities	(21,854)	(21,857)	(34,648)
Proceeds from/ (repayment of) short term borrowings (net)	1,304,537	2,948,637	3,000,989
Net cash flow from financing activities	2,241,043	4,300,703	5,214,066
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(113,131)	1,213,786	736,485
CASH AND CASH EQUIVALENTS AT THE BEGINNING	1,376,572	640,087	640,087
CASH AND CASH EQUIVALENTS AT THE END	1,263,441	1,853,873	1,376,572
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	1,435,807	2,010,045	1,530,983
Unfavourable balances			
Bank overdrafts	(172,366)	(156,172)	(154,411)
Cash and cash equivalents	1,263,441	1,853,873	1,376,572

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 Nine month period ended 31 December 2021 were authorised for issue by the Board of Directors on 07 February 2022.

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 (Rs.) and all values are rounded to the nearest thousand except when otherwise indicated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

3. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

3.1 Valuation of Life Insurance Fund

The valuation of life insurance fund as at 31 December 2021 was made by Appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, of Messrs. Willis Towers Watson India Private Limited, who approved to transfer from Non-Participating Life Insurance Fund/ insurance contract liabilities to the Shareholders Fund as surplus transfer as disclosed below. □
For the quarter ended 31 December 2021 – Rs. 727 Mn (2020 - Rs. 1,280 Mn).

3.2 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 3.3 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 3.3 for details of assets supporting the restricted regulatory reserve as at 31 December 2021.

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	-	(798,004)	(798,004)
Surplus created due to change in valuation method - One off surplus as at 31 December 2021	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

3.3 Composition of investments supporting the Restricted Regulatory Reserve as at 31 December 2021

			Market value as at 31 December 2021
		Face value	Rs. '000
Government Securities			
Treasury Bonds	LKB03044A010	100,000,000	118,930
	LKB01534I155	50,000,000	45,622
	LKB01534I155	50,000,000	45,622
	LKB01534I155	50,000,000	45,622
	LKB01534I155	50,000,000	45,622
	LKB01528I017	100,000,000	104,365
	LKB01529E014	50,000,000	55,091
	LKB01529E014	50,000,000	55,091
	LKB01529E014	50,000,000	55,091
	LKB00322K152	200,000,000	197,275
Deposits			
National Savings Bank			100,018
Total market value of the assets			868,349

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4. SHARE INFORMATION

4.1 Public share holdings

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

As at	31-12-2021
Public shareholding (%)	12.58
Public shareholders	9,983
Float adjusted market capitalization (Rs. Mn.)	5,146

Minimum public holding percentage - The Company is in compliance with option 1 of the Listing Rules 7.13.1 (b) which requires 7.5% minimum public holding percentage and 200 minimum public shareholders.

4.2 Directors' share holdings

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

As at	31-12-2021
A K Pathirage - Chairman/ Managing Director	492,372,620
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	2,100,000
W M P L De Alwis, PC	Nil
Prof. A S Dharmasiri	Nil
A Russell-Davison	Nil
S Saraf	Nil
C K Gupta (alternate director to Mr. S Saraf)	Nil
J D N Kekulawala	Nil
	721,683,772

4.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 31-12-2021	%
1 Mr. A K Pathirage	492,372,620	41.29
2 Samena Ceylon Holdings Ltd	247,432,455	20.75
3 Mr. H K Kaimal	80,439,792	6.75
4 Mr. R J Perera	75,437,508	6.33
5 Mr. G W D H U Gunawardena	71,333,852	5.98
6 Pemberton Asian Opportunities Fund	56,665,000	4.75
7 Samena Special Situations Fund III L.P.	53,653,654	4.50
8 Samena Special Situations Fund II L.P.	15,000,000	1.26
9 Employees Provident Fund	7,230,500	0.61
10 Mr. S J Fancy	7,225,323	0.61
11 Mrs. A Selliah	4,700,000	0.39
12 Miss. S Subramaniam	4,300,000	0.36
13 Mrs. A Kailasapillai	4,200,000	0.35
14 Dr. K M P Karunaratne	4,050,000	0.34
15 Arunodhaya Industries (Private) Limited	3,557,864	0.30
16 Mr. K Aravinthan	3,200,000	0.27
17 Arunodhaya (Private) Limited	3,000,000	0.25
18 Mrs. K J A N Sangakkara	2,909,181	0.24
19 Dr. S Selliah	2,100,000	0.18
20 Mr. S R S De Saram	2,000,000	0.17

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

5. STATED CAPITAL MOVEMENTS

5.1 No of shares

	No of shares
As at 01 April 2021	1,192,543,209
As at 31 December 2021	1,192,543,209

5.2 Value of shares

	Rs. '000
As at 01 April 2021	12,119,235
As at 31 December 2021	12,119,235

6. INVESTOR INFORMATION

6.1 Market value of shares

31-12-2021

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

Last traded price on (Rs.)	34.30
Highest price recorded for the three months ending (Rs.)	36.90
Lowest price recorded for the three months ending (Rs.)	11.90
Market Capitalisation (Rs. mn)	40,904.23

6.2 Ratios

Net assets per share at the period end (Rs.)	4.51
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6.3 Share trading information from 01 October 2021 to 31 December 2021

Number of shares traded	45,880,026
Value of shares traded (Rs. Mn.)	923.61

7. 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 2021 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 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 in February 2022.

8. CAPITAL COMMITMENTS

As at 31 December 2021, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 12,109.00 Mn (31 December 2020 - Rs. 13,520 Mn).

9. EVENTS AFTER THE REPORTING PERIOD

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

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with related parties

In Rs. '000	Group		Company	
	09 months to 31-12-2021	09 months to 31-12-2020	09 months to 31-12-2021	09 months to 31-12-2020
Subsidiaries				
(Purchases) / sales of goods	-	-	(1,067)	(3,755)
(Receiving) / rendering of services	-	-	640,110	574,104
(Purchases) / sale of property plant & equipment	-	-	(8,673)	(2,104)
Loans given / (obtained)	-	-	(2,956,702)	(165,142)
Interest received / (paid)	-	-	750,579	1,060,822
Rent received / (paid)	-	-	46,130	44,919
Dividend received	-	-	960,527	764,375
Guarantee charges received	-	-	185,208	136,938
Guarantees given / (obtained) - as at 31 December			31,660,616	27,012,432
Associates				
(Purchases) / sale of property plant & equipment	9	19	-	-
(Receiving) / rendering of services	2,460	7,089	4,077	8,245
Interest received / (paid)	114	159	114	159
Key management personnel				
Loans given/ (received)	(1,992)	(1,992)	(1,992)	(1,992)
Guarantees given/ (received)	(150,000)	(150,000)	-	-
Loans given/ (customer deposits received)	(14,303)	(6,668)	-	-
Advances given/ (received)	(44,010)	(263,760)	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-

11.2 Terms and conditions of transactions with related parties

Transactions with related parties are carried out under relevant commercial terms and conditions.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

Softlogic Holdings PLC

CORPORATE INFORMATION

Name of Company

Softlogic Holdings PLC

Legal Form

Public Limited Liability Company.

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

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

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

The Company has been transferred to the Second Board with effect from 09 November 2020 due to non-compliance with Minimum Public Holding Requirement in terms of Rule 7.13.1. of the CSE Listing Rules. Subsequently the Company transferred to the Diri Savi Board of the Colombo Stock Exchange with effect from 02 December 2020.

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

Prof. A S Dharmasiri

A Russell-Davison

S Saraf

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

J D N Kekulawala

Audit Committee

J D N Kekulawala - Chairman

Dr S Selliah

Prof. A S Dharmasiri

W M P L De Alwis, PC

Related Party Transaction Committee

W M P L De Alwis, PC - Chairman

H K Kaimal

Prof. A S Dharmasiri

HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

W M P L De Alwis, PC

J D N Kekulawala

Secretaries

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Bankers

Bank of Ceylon

Cargills Bank Ltd

Commercial Bank of Ceylon PLC

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

State Bank of India

Indian Bank

Auditors

Ernst & Young

Chartered Accountants

201, De Saram Place,

Colombo 10