



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30 JUNE 2022

Performance Review

First Quarter Ended 30th June 2022

Rs. Million	Revenue			EBITDA		
	1QFY23	1QFY22	% Change	1QFY23	1QFY22	% Change
Retail & Telecommunication	9,734	13,457	(28%)	2,318	750	209%
Healthcare Services	5,426	4,778	14%	1,423	1,309	9%
Financial Services	5,894	4,643	27%	618	1,017	(39%)
Information Technology	1,778	1,273	40%	272	161	69%
Leisure & Property	355	94	277%	(72)	(138)	(48%)
Automobiles	1,279	214	498%	11	24	(55%)
Others	1.5	1.5	7%	48	73	(35%)
Group	24,468	24,462	0.02%	4,651	3,199	45%

Dear Shareholders,

Much effort was expended across all business verticals to maintain financial performance in the face of unprecedented economic and social turbulence during the first quarter.

Despite the adverse effects of the economy, consolidated revenue held strong at Rs. 24.5 Bn during the quarter consequent to the Group's mixed portfolios rebalancing top-line performance.

Group EBITDA recorded a strong rise of 45% to Rs. 4.7 Bn during 1QFY23 primarily owing to better cost and inventory management.

The Retail Sector was most impacted. Nonetheless, in-depth analysis will show that despite the import restrictions in place due to ongoing FOREX crisis precipitated by the dollar shortage, two sub-sectors were adversely affected - the lucrative mobile phone business, and to a lesser extent, Consumer Electronics. The promising features of Fashion Retailing, QSR and Supermarkets have performed commendably well to ward off the punishing effects of decompressed consumer spending following the fuel and gas crisis which brought the country down to its knees. The latter sub-sector's business operations, however, saw to higher operating profit and EBITDA generation, a core measure of business sustainability. The other two core-sectors – Healthcare and Financial Services – the group's primary cash flow generators, performed well, albeit lower YoY financial achievement, following the travel disruption and Government's temporary closure of non-essential services, which encouraged WFH reflecting a partial lockdown on the city due to the fuel crisis.

No doubt, financial performance has been influenced by the extraordinary crisis which beset the economy due to both global and domestic factors. Surging inflation consequent to the depreciation of the Rupee and the decision by CBSL to deploy traditional monetary tools such as interest rate hikes to tame inflation, cast a cloud of uncertainty over the long-term direction of capital flows. This action generally has the effect of discouraging expansion and decompressing growth momentum.

Top contributors to Group's revenue for 1QFY23 were the Retail sector (40% contribution), Healthcare Services (22%), Financial Services (24%) and IT (7%). Leisure and Automobile together contributed 7% to Group's topline for the quarter.

Quarterly Gross Profit improved 36% to Rs. 9.8 Bn. GP Margins improved from 29.6% in 1QFY22 to 40.2% in 1QFY23 primarily led by better across-the-board cost management stemming from economies of scale and repricing of goods considering inflation and interest rate re-adjustments and the market demand for high end products.

Quarterly distribution costs increased 3% to Rs. 832 Mn. Administrative expenses rose 41% to Rs. 6.1 Bn during the quarter due to bonus, inflation-adjusted salary increments, increased utility bills and fuel costs. Resultantly, operating cost increased 35% to Rs. 6.9 Bn for the quarter.

Commission and Fee Income generated at Retail and Financial Services sector is a primary component of Other Operating Income which recorded a growth of 147% to Rs. 343 Mn during 1QFY23.

Operating profit for the quarter recorded a 60% growth to Rs. 3.6 Bn.

Finance income, which predominantly comprises the investment gains at Softlogic Life Insurance, saw an increase of 317% to Rs. 3.9 Bn during the quarter primarily resulting from increased interest rates.

AWPLR has increased from 9.85% to 22.27% for the period under review. This led to a 120% increase in net finance costs to Rs. 2.48 Bn which also includes substantial exchange losses during the quarter.

The recent upward pressure on interest rates led to the change in insurance contract /liabilities to increase during the quarter. A transfer of Rs. 1.9 Bn in 1QFY23 in comparison to Rs. 977 Mn transfer in 1QFY22 was reported.

RETAIL

Retail sector, which recorded a formidable growth during the pandemic, is now facing one of the most challenging times in history. Import restrictions, scarcity of FOREX and depreciation of local currency, inflationary pressures, power outages, fuel crisis, reduced tourism, increased tax rates and declining household income has added to the industry woes.

Retail sector revenue was Rs. 9.7 Bn during the quarter, down from Rs. 13.5 Bn, due to the standstill on imports of mobile phones. Primary contributors to the sector topline emerged to be Consumer Electronics followed by Fashion, Restaurants and Supermarkets. While Consumer Electronic fell, Supermarkets expanded and added Rs. 2.7 Bn to sector top line, while QSR and ODEL's local brands added better than expected to top line.

Sector EBITDA for the quarter under review registered a growth of 209% to Rs. 2.3 Bn while operating profit increased to Rs. 2 Bn in 1QFY23 from Rs. 433 Mn in 1QFY22. Better cost management, change in product mix and efficient and effective management of existing stocks while also seeking local product substitutes added to the growth story.

The Fashion segment is focusing on its local private labels such as ODEL, B-Iconic, Closet, Tara and WYOS to ease out the increased price points in the luxury fashion brands. A new ODEL brand – ODEL Basics – was launched during the quarter. We are preparing for consumer migration to these local brands with the expected limited availability of the luxury branded products. ODEL, which runs a small-scale apparel factory in Borelasgamuwa, is also expanding the manufacturing base with a new factory in Seethawaka.

As a proactive measure, we are also establishing a local assembly unit for TVs, washing machines, refrigerators and other home appliances. We expect this assembly line for washing machines to be in operation during this financial year. This would help us overcome the FX challenges in the country while also allowing us to explore export opportunities in this segment.

Smartphone business, generated from local purchases for retailing, continued its upward run despite supply side limitations. We have started retailing other mobile phones brands such as Xiaomi, Apple, Vivo and Oppo. Our phone repair and service centre has increased its contribution to the segment's business during the quarter.

Consumer electronics segment witnessed improvements in GP margins amidst rising cost of sales primarily led by change in product mix during the quarter.

The company's local modular furniture factory is expanding its operations to establish itself as one of the biggest one-stop shops for total customized interior solutions and furniture supply in the country to both corporate and residential interiors. 'Softlogic Interiors' was launched to manage the group's bespoke interior solution arm. We are also planning to establish a 'Solid Furniture Factory' during the financial year. This would enhance the product offering to our customers.

We are also introducing sustainable energy sources including solar and energy storage items into product range.

Our supermarket opened its 13th Glomark outlet in Kandana in May. We maintained a continuous supply of groceries during the most challenging times primarily supported by Glomark's powerful supply chain. We increased local sourcing of products to overcome the import challenges.

Softlogic Pharmaceuticals, distributor and marketer of medical drugs, has added 'Principle Healthcare' which is an European private label supplier of vitamin and mineral food supplements, to its portfolio. The company now operates with such 13 other medical suppliers.

We are implementing a phased project evaluation process to ensure investment decisions relating to our ongoing capital projects are taken in a responsible manner to maximize commercial returns during challenging times as these. The Kandy Mall and Colombo 14 projects will be launched in September 2022 and December 2022 respectively while ODEL Mall is progressing and envisaged to open by 2024. We will decisively plan out our supermarket and QSR roll-out.

Havelock City mall project, where we will serve as anchor tenants, is expected to open next year. Import challenge are not so much a hurdle to cross when we stock the new stores at Havelock City given the relatively small value of LCs to be established in the overall scheme of things.

We continue to face increased cost of operations and are finding the right balance of repricing of goods to improve profit margins. Being a near monopolistic player in the luxury retail sector, sales volumes have remained stable due to the near inelastic nature of demand. However, we foresee supply-side constraints in the upcoming months should FOREX problem persist.

Consumer Electronics, handbags, shoes and leather products are seeing a surcharge of excise duty. Softlogic is a strategically diversified large-scale organization and has the resilience and flexibility to weather the economic downturn. We are taking measures to manufacture locally and expand our apparel brands, furniture line, assembly plants for ACs and washers, and become more self-reliant.

HEALTHCARE SERVICES

Healthcare sector continued its robust performance amidst the socio-economic shocks. Sector revenue increased 14% to Rs. 5.4 Bn during the quarter.

Contribution from Asiri Hospital Holdings for the quarter was 40% of the hospital group's revenue. Central Hospital made up 27% while Asiri Surgical Hospital contributed 20%. Asiri AOI Cancer Centre, Asiri Matara, Asiri Hospital Galle and Asiri Diagnostics Services collectively contributed 13% to hospital group revenue. We noticed an improvement in Asiri Kandy, Asiri Diagnostic Services and Asiri AOI's contribution to the hospital group topline during the quarter.

Sector EBITDA recorded a strong growth of 9% to Rs. 1.4 Bn during the quarter. Sector operating profit increased 7% to Rs. 1 Bn during 1QFY23. Healthcare sector PAT was Rs. 405 Mn during the quarter under review.

Asiri Nova IVF & Fertility Centre, a collaboration with India's leading chain of infertility (IVF) treatment centers - Nova IVF Fertility - is fully-functional and has recorded a high rate of positive outcomes so far.

Asiri Central Hospital, responding to a high need of today, launched Home Healthcare Facilities which, includes home nursing and mobile physiotherapy services.

Asiri Health is the first private healthcare provider to expand beyond Colombo. We have continued to improve our facilities in Galle, Matara and Kandy. The renovations and facelift project at Asiri Hospital Galle is now completed and the hospital also offers an extended menu of high-end healthcare services. Asiri Matara too has now begun renovations, which will include the addition of new beds.

Five hospitals, including Asiri Hospital Kandy, of Asiri Health is accredited by The Australian Council on Healthcare Standards (ACHS) while Central Hospital was re-accredited by Joint Commission International's Gold Seal of Approval® for Patient care and safety. These international accreditations allow Asiri to pursue medical tourism aggressively. This makes us a potential FOREX generator.

Consistent positive public perception and goodwill towards competitive pricing, empathetic service, high-end healthcare solutions and continuous investments in state-of-the-art facilities have sculpted Asiri's strong market position in private healthcare in Sri Lanka.

A slowdown in the economy has had minimal impact on Asiri due to the nature of the healthcare sector, which is largely immune to economic conditions. No inventory shortage for consumables or drugs was faced at Asiri Health during the quarter. Economies of Scale, availability of group facilities, group synergies and long-term relationship with suppliers have supported the supply chain thus far.

The Colombo 14 Group Project will see a new medical Centre with fully-equipped laboratory and OPD facility from Asiri Health.

INFORMATION TECHNOLOGY

Quarterly sector revenue grew 40% to Rs. 1.8 Bn as B2B hardware and software solutions segment continued its pivotal contribution in delivering financial results primarily led by IT infrastructure projects.

Operating profit recorded an increase of 84% to Rs. 244 Mn for the quarter. Sector EBITDA for the quarter reached Rs. 272 Mn (up 69%). Sector PBT rose 3% to Rs. 126 Mn for the quarter while quarterly PAT was Rs. 99 Mn.

We anticipate the corporate sector to continue their strong spend in areas of digital cloud and security in the upcoming periods. However, the economic recession is expected to see some capex trimming while elevated supply-side pressures persisted due to the country's FOREX crisis could slow the revenue growth of the IT sector in the near term. Our Service

and Software Upgrade & Maintenance segment would actively function to set off any such revenue losses.

FINANCIAL SERVICES

Financial Services recorded a topline growth of 27% to Rs. 5.9 Bn during the quarter. This growth was primarily led by Softlogic Life Insurance and Softlogic Finance.

Sector operating profit for quarter was Rs. 564 Mn and reported a PAT of Rs. 77 Mn.

Softlogic Life Insurance achieved a growth of 27% in Gross Written Premium to Rs. 5.6 Bn for the quarter. GWP growth has been underpinned by steady demand for life and health products. The company achieved a quarterly PAT of Rs. 690 Mn. Softlogic Life moved a further position upwards in the Life Insurance standings to become the second largest Life Insurer in the country as at 30th June 2022.

Softlogic Finance reported Rs. 210 Mn as Net Interest Income for 1QFY23 that was similar to the previous period. The company is having legacy exposure issues and has now successfully reduced those exposures to a manageable percentage of the overall book. The rising interest rates and newly introduced regulatory standards have impacted the bottom line of the company. Total Deposits rose 9% to cross Rs. 17 Bn while total assets improved to Rs. 25.6 Bn. The credit rating of the company was upgraded to (SL)BB Stable by ICRA Lanka.

On a positive side, within a short span of time Softlogic Asset Management has emerged within the top 3 fund managers in the country reaching Rs. 40 Bn Assets Under Management.

AUTOMOBILE

Sector revenue rose 498% to Rs. 1.3 Bn during the quarter.

Spare parts sales, Accident Repair Centre and Vehicle Servicing continued to be key sources of income for the automobile sector during a time when import of vehicles have been completely restricted in the country. Ambulance Sales, catering state and private healthcare sector, continued to significantly contribute to the sector topline.

LEISURE & REAL ESTATES

Sector revenue for 1QFY23 witnessed a turnover increase of 277% to Rs. 355 Mn primarily led by Food & Beverage from local entertainment while business travel category recorded an improvement during the quarter. Centara is becoming a popular destination for weddings and other events.

Tourist arrivals significantly reduced to 140,480 during the quarter (456,723 arrivals in 1QFY19 as per pre-pandemic/pre-Black Friday data)

This sector is facing challenges amidst the ongoing economic downturn as most of the source markets restricted travel to Sri Lanka during the quarter.

FUTURE OUTLOOK

Most economies globally are affected by the West and East engaging in dangerous brinkmanship-politics, while SL faces an acute FOREX shortfall, precipitating a fuel and gas supply shortage with the resultant effect of supply-chain disruptions, inflation, increased capital costs and imposition of unbearable duties and taxes to moderate the socio-economic imbalance - the operating business climate is at its historic worst.

It is noteworthy, that both the Healthcare sector and the Insurance arm of the group are more resilient under these challenging environments. Accordingly, business viability requires leadership entailing unavoidable long-term decisions to be made at the right time. Maintaining the status quo no doubt can become a challenge.

While drumbeats of war between superpower nations are distantly heard, with global recession hitting from all corners, we cannot be looking through glasses of doom and gloom but must instead take constructive measures to reengineer our business model to ensure the group withstands the multiplicity of these challenges.

In this light, we must become more adaptive and respond with speed to the challenges that this crisis demands and reset our thinking to become both inward- and outward-looking at the same time

While overseas investors look at the option of domestic investments, they are also confident that the quality businesses we operate on the ground can be replicated rewardingly in other countries.

As such, we have already set into motion the establishment of a new apparel factory in local partnership, and, in this way, not only will we meet the new local demand creating a local brand presence thereby relying less on imported fashion articles to sustain our retail fashion operation, but we will also set into motion operations overseas to export the surpluses and thereby earn the much-needed FOREX for the country. Similarly, our expansion in the modular furniture factory is also geared to meet export demand while the local assembly plant in ACs and Washers will preserve FOREX outflows.

Notwithstanding this, in the Retail, Healthcare and Insurance businesses we are exploring opportunities with the same dynamism to benefit from investing in markets outside the shores of Sri Lanka in collaboration with our foreign equity partners. In retail, we were close to sealing a private equity investment of a substantial amount but this is held in abeyance pending return of the country's economic sanity.

Softlogic is an asset rich group, and we are mindful that capital buffers are entrenched in those assets, which will be optimized to sharpen our business strategy.

-Sgd-

Ashok Pathirage
Chairman
15 August 2022

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 3 months to 30-06-2022	Un-audited 3 months to 30-06-2021	Change as a %	Un-audited 12 months to 31-03-2022
Continuing operations				
Revenue from contract with customers	18,648,578	19,883,082	(6)	89,129,624
Revenue from insurance contracts	4,941,419	3,981,568	24	19,165,724
Interest income	877,275	596,880	47	2,937,818
Total revenue	24,467,272	24,461,530	0	111,233,166
Cost of sales	(14,632,273)	(17,221,984)	(15)	(72,238,456)
Gross profit	9,834,999	7,239,546	36	38,994,710
Other operating income	343,044	138,994	147	1,341,707
Distribution expenses	(831,594)	(804,820)	3	(3,630,263)
Administrative expenses	(6,079,413)	(4,300,528)	41	(20,909,687)
Results from operating activities	3,267,036	2,273,192	44	15,796,467
Finance income	2,866,181	687,461	317	4,461,090
Finance expenses	(5,346,492)	(1,814,067)	195	(12,666,716)
Net finance cost	(2,480,311)	(1,126,606)	120	(8,205,626)
Change in fair value of investment property	-	-	-	140,100
Share of profit/ (loss) of equity accounted investees	2,995	(5,842)	(151)	(11,750)
Change in insurance contract liabilities	(1,893,271)	(977,377)	94	(4,713,849)
Profit/ (loss) before tax	(1,103,551)	163,367	(776)	3,005,342
Tax expense	(527,646)	(251,056)	110	(2,124,904)
Profit/ (loss) for the period	(1,631,197)	(87,689)	1,760	880,438
Attributable to:				
Equity holders of the parent	(2,100,727)	(617,784)	240	(2,064,885)
Non-controlling interest	469,530	530,095	(11)	2,945,323
	(1,631,197)	(87,689)	1,760	880,438
Loss per share				
Basic	(1.76)	(0.52)	240	(1.73)

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 3 months to 30-06-2022	Un-audited 3 months to 30-06-2021	Change as a %	Un-audited 12 months to 31-03-2022
Profit/ (loss) for the period	(1,631,197)	(87,689)	1,760	880,438
Other comprehensive income				
Continuing operations				
Other comprehensive income to be reclassified to income statement in subsequent periods				
Currency translation of foreign operations	(19,351)	(102)	18,872	(59,791)
Net change in fair value on derivative financial instruments	(2,004,241)	(5,617)	35,582	(2,888,357)
Net loss on financial instruments at fair value through other comprehensive income	(382,078)	(76,650)	398	(592,267)
Net other comprehensive loss to be reclassified to income statement in subsequent periods	(2,405,670)	(82,369)	2,821	(3,540,415)
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Revaluation of land and buildings	-	-	-	7,726,097
Re-measurement loss on employee benefit liabilities	-	-	-	(996)
Share of other comprehensive loss of equity accounted investments (net of tax)	-	-	-	(327)
Net profit/ (loss) on equity instruments at fair value through other comprehensive income	(414,258)	14,729	(2,913)	(647,981)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	(1,098,891)
Net other comprehensive income/ (loss) not to be reclassified to income statement in subsequent periods	(414,258)	14,729	(2,913)	5,977,902
Other comprehensive income/ (loss) from continuing operations for the period, net of tax	(2,819,928)	(67,640)	4,069	2,437,487
Total comprehensive income/ (loss) for the period, net of tax	(4,451,125)	(155,329)	2,766	3,317,925
Attributable to:				
Equity holders of the parent	(4,464,574)	(689,455)	548	(784,854)
Non-controlling interest	13,449	534,126	(97)	4,102,779
	(4,451,125)	(155,329)	2,766	3,317,925

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 30-06-2022	Un-audited as at 30-06-2021	Un-audited as at 31-03-2022
ASSETS			
Non-current assets			
Property, plant and equipment	61,421,969	53,215,990	61,060,959
Investment property	2,157,217	2,010,617	2,157,217
Right of use assets	8,148,993	5,841,729	8,296,184
Intangible assets	8,392,212	8,671,107	8,460,694
Investments in equity accounted investments	47,797	52,099	44,803
Non-current financial assets	29,177,746	21,964,450	28,197,322
Rental receivable on lease assets and hire purchase	9,502,640	5,249,530	10,134,738
Other non-current assets	7,724,314	5,698,794	7,644,237
Deferred tax assets	2,370,656	2,756,071	2,613,720
	128,943,544	105,460,387	128,609,874
Current assets			
Inventories	13,905,346	13,485,849	13,273,976
Trade and other receivables	15,591,370	13,186,259	13,051,297
Loans and advances	8,009,146	8,097,877	7,122,288
Rental receivable on lease assets and hire purchase	1,043,578	799,981	1,049,158
Amounts due from related parties	3,103	2,311	2,430
Other current assets	6,841,565	3,870,843	4,274,449
Short term investments	17,245,056	13,287,448	15,062,781
Cash in hand and at bank	8,763,847	10,946,949	9,146,969
	71,403,011	63,677,517	62,983,348
Total assets	200,346,555	169,137,904	191,593,222
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(16,151,686)	(12,601,218)	(14,050,959)
Other components of equity	3,564,597	5,619,342	5,928,444
	(467,854)	5,137,359	3,996,720
Non-controlling interests	14,243,692	12,933,237	14,247,393
Total equity	13,775,838	18,070,596	18,244,113
Non-current liabilities			
Insurance contract liabilities	24,452,394	18,925,371	22,559,123
Interest bearing borrowings	42,326,495	36,709,071	38,865,856
Lease liabilities	6,067,947	3,929,264	5,928,618
Public deposits	4,016,534	2,687,805	2,568,633
Deferred tax liabilities	3,489,584	2,304,262	3,465,574
Employee benefit liabilities	1,772,481	1,622,905	1,708,747
Other deferred liabilities	32,383	11,427	1,486
Other non-current financial liabilities	741,433	528,483	738,829
	82,899,251	66,718,588	75,836,866
Current liabilities			
Trade and other payables	18,139,712	20,911,128	23,124,839
Amounts due to related parties	28,919	31,992	28,919
Income tax liabilities	651,985	141,730	344,199
Other current financial liabilities	39,129,278	28,200,277	35,535,336
Current portion of interest bearing borrowings	17,176,468	13,106,269	15,026,366
Current portion of lease liabilities	1,571,645	1,475,257	1,610,321
Other current liabilities	3,751,519	1,820,087	2,148,571
Public deposits	13,047,006	11,787,382	13,015,045
Bank overdrafts	10,174,934	6,874,598	6,678,647
	103,671,466	84,348,720	97,512,243
Total equity and liabilities	200,346,555	169,137,904	191,593,222

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

-sgd-

Group Finance Director

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

-sgd-

Chairman

-sgd-

Director

15 August 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 2022	12,119,235	309,613	12,419,967	(136,433)	(1,339,630)	263,436	(1,836,003)	(3,752,506)	(14,050,959)	3,996,720	14,247,393	18,244,113
Profit/ (loss) for the year	-	-	-	-	-	-	-	-	(2,100,727)	(2,100,727)	469,530	(1,631,197)
Other Comprehensive income/ (loss)	-	-	-	(19,351)	(341,942)	-	-	(2,002,554)	-	(2,363,847)	(456,081)	(2,819,928)
Total Comprehensive income/ (loss)	-	-	-	(19,351)	(341,942)	-	-	(2,002,554)	(2,100,727)	(4,464,574)	13,449	(4,451,125)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(17,150)	(17,150)
As at 30 June 2022	12,119,235	309,613	12,419,967	(155,784)	(1,681,572)	263,436	(1,836,003)	(5,755,060)	(16,151,686)	(467,854)	14,243,692	13,775,838
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/ (loss) for the year	-	-	-	-	-	-	-	-	(617,784)	(617,784)	530,095	(87,689)
Other Comprehensive income/ (loss)	-	-	-	(102)	4,277	-	-	(76,586)	-	(72,411)	4,771	(67,640)
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	6,882	-	-	-	(6,882)	-	-	-
Total Comprehensive income/ (loss)	-	-	-	(102)	11,159	-	-	(76,586)	(624,666)	(690,195)	534,866	(155,329)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	3,109	-	-	3,109	(23,389)	(20,280)
As at 30 June 2021	12,119,235	309,613	7,662,068	(77,484)	(805,101)	263,436	(790,023)	(943,167)	(12,601,218)	5,137,359	12,933,237	18,070,596

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 3 months to 30-06-2022	Un-audited 3 months to 30-06-2021	Un-audited 12 months to 31-03-2022
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Profit/ (loss) before tax from continuing operations	(1,103,551)	163,367	3,005,342
Adjustments for:			
Finance income	(2,866,181)	(687,461)	(4,461,090)
Finance cost	5,346,492	1,814,067	12,666,716
Change in fair value of investment property	-	-	(140,100)
Share of results of equity accounted investees	(2,995)	5,842	11,750
Gratuity provision and related cost	87,924	70,443	288,736
Provisions for/ write-off of impaired receivables	37,405	40,516	178,343
Provision for write-off of inventories	31,093	20,289	109,790
Provisions for/ write-off of loans and advances	108,099	82,781	879,091
Provisions for/ write-off of investments in lease and hire purchase	100,397	48,632	126,985
Depreciation of property, plant and equipment	941,691	850,379	3,546,830
Profit on sale of property, plant and equipment and right of use assets	(10,221)	(28,535)	(16,893)
(Profit)/ loss on sale of investments	-	6	(107)
Change in fair value of put option liability	-	-	(154,609)
Amortisation/ impairment of intangible assets	77,630	75,114	317,931
Impairment/ derecognition of property, plant and equipment and right of use assets	-	-	1,929
Amortisation right of use assets	451,794	395,746	1,763,012
Profit before working capital changes	3,199,577	2,851,186	18,123,656
Increase in inventories	(662,463)	(876,390)	(752,142)
Increase in trade and other receivables	(1,709,423)	(890,934)	(2,114,546)
(Increase)/ decrease in loans and advances	(465,792)	1,061,691	727,072
(Increase)/ decrease in investments in lease and hire purchase	537,282	(835,438)	(6,048,177)
Increase in other current assets	(2,567,116)	(123,012)	(548,603)
Increase in amounts due from related parties	(673)	(38)	(157)
Increase/ (decrease) in trade and other payables	(4,987,058)	2,471,061	1,365,009
Decrease in amounts due to related parties	-	-	(3,073)
Increase in other current liabilities	1,674,278	728,553	1,243,621
Decrease in deferred income	(40,433)	(60,331)	(37,729)
Increase/ (decrease) in public deposits	1,479,863	(105,630)	1,002,860
Increase in insurance contract liabilities	1,893,271	977,377	4,611,129
Cash generated from/ (used in) operations	(1,648,687)	5,198,095	17,568,920
Finance income received	1,938,983	581,897	2,766,412
Finance expenses paid	(4,250,526)	(1,629,750)	(7,639,129)
Tax paid	(261,670)	(85,873)	(783,306)
Gratuity paid	(26,806)	(42,743)	(175,014)
Net cash flow from/ (used in) operating activities	(4,248,706)	4,021,626	11,737,883
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(1,141,853)	(556,487)	(3,555,559)
Addition to intangible assets	(6,919)	(2,059)	(27,809)
Increase in other non-current assets	(80,077)	(212,276)	(2,160,871)
(Purchase)/ disposal of short term investments (net)	(3,293,563)	857,981	(1,491,618)
Dividends received	135,595	5,014	8,833
Purchase of non-current financial assets	(488,168)	(928,550)	(4,623,782)
Proceeds from sale of property, plant and equipment	34,276	31,444	227,256
Net cash flow used in investing activities	(4,840,709)	(804,933)	(11,623,550)

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 3 months to 30-06-2022	Un-audited 3 months to 30-06-2021	Un-audited 12 months to 31-03-2022
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from shareholders with non-controlling interest on issue of equity shares in subsidiaries	-	-	8,467
Dividend paid to non-controlling interest	(17,150)	-	(2,000,024)
Increase in interest in subsidiaries	-	(20,280)	(1,328,458)
Proceeds from long term borrowings	4,046,291	1,832,144	8,765,108
Repayment of long term borrowings	(2,925,046)	(2,155,003)	(10,413,477)
Repayment of lease liabilities	(642,369)	(501,640)	(2,704,450)
Increase/ (decrease) in other non-current financial liabilities	(90,674)	(303,623)	61,332
Proceeds from/ (repayment of) other current financial liabilities (net)	3,593,942	2,277,917	9,609,948
Net cash flow from financing activities	3,964,994	1,129,515	1,998,446
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(5,124,421)	4,346,208	2,112,779
CASH AND CASH EQUIVALENTS AT THE BEGINNING	12,654,927	10,536,140	10,535,990
Effect of exchange rate changes	1,681	(4)	6,158
CASH AND CASH EQUIVALENTS AT THE END	7,532,187	14,882,344	12,654,927
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	8,763,847	10,946,949	9,146,969
Short term investments	8,943,274	10,809,993	10,186,605
Unfavourable balances			
Bank overdrafts	(10,174,934)	(6,874,598)	(6,678,647)
Cash and cash equivalents	7,532,187	14,882,344	12,654,927

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 3 months to 30-06-2022	Un-audited 3 months to 30-06-2021	Change as a %	Un-audited 12 months to 31-03-2022
Revenue from contract with customers	246,220	245,088	0	978,493
Cost of sales	(87,924)	(86,779)	1	(392,400)
Gross profit	158,296	158,309	(0)	586,093
Dividend income	239	-	-	1,712,285
Other operating income	1,754	10,559	(83)	36,109
Administrative expenses	(125,262)	(106,066)	18	(441,740)
Results from operating activities	35,027	62,802	(44)	1,892,747
Finance income	728,185	475,902	53	1,723,751
Finance expenses	(1,676,639)	(751,790)	123	(3,309,939)
Net finance cost	(948,454)	(275,888)	244	(1,586,188)
Change in fair value of investment property	-	-	-	117,005
Profit/ (loss) before tax	(913,427)	(213,086)	329	423,564
Tax expense	-	-	-	(24,204)
Profit/ (loss) for the period	(913,427)	(213,086)	329	399,360

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 3 months to 30-06-2022	Un-audited 3 months to 30-06-2021	Change as a %	Un-audited 12 months to 31-03-2022
Profit/ (loss)for the period	(913,427)	(213,086)	329	399,360
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Actuarial gain on retirement benefits	-	-	-	(10,004)
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	(4,400)
Tax on other comprehensive income	-	-	-	2,401
Other comprehensive loss for the period, net of tax	-	-	-	(12,003)
Total comprehensive profit/ (loss) for the period, net of tax	(913,427)	(213,086)	329	387,357

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

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 30-06-2022	Un-audited as at 30-06-2021	Un-audited as at 31-03-2022
ASSETS			
Non-current assets			
Property, plant and equipment	85,151	89,349	83,922
Investment property	939,705	822,700	939,705
Right of use assets	252,985	33,086	243,576
Intangible assets	1,054	197	1,833
Investments in subsidiaries	28,202,517	21,832,635	28,202,517
Investments in associates	41,000	41,000	41,000
Other non current financial assets	1,949,907	1,898,607	1,974,907
	31,472,319	24,717,574	31,487,460
Current assets			
Inventories	3,395	-	-
Trade and other receivables	1,802,385	1,296,830	2,506,827
Amounts due from related parties	16,962,977	20,630,342	15,739,492
Other current assets	95,578	73,543	98,113
Short term investments	395,577	110,444	784,846
Cash in hand and at bank	2,012,537	1,547,928	1,485,572
	21,272,449	23,659,087	20,614,850
Total assets	52,744,768	48,376,661	52,102,310
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	2,374,468	2,683,052	3,287,895
Other components of equity	(24,700)	(20,300)	(24,700)
Total equity	14,469,003	14,781,987	15,382,430
Non-current liabilities			
Interest bearing borrowings	5,676,259	7,404,752	5,590,856
Lease liabilities	197,776	9,902	203,880
Deferred tax liabilities	178,072	156,269	178,072
Employee benefit liabilities	143,864	113,106	140,555
	6,195,971	7,684,029	6,113,363
Current liabilities			
Trade and other payables	490,390	221,953	193,088
Amounts due to related parties	23,673	7,698	49,171
Other current financial liabilities	23,311,875	19,024,382	22,674,666
Current portion of interest bearing borrowings	7,962,469	6,419,600	7,438,756
Current portion of lease liabilities	55,747	20,890	37,495
Other current liabilities	69,900	65,907	63,012
Bank overdrafts	165,740	150,215	150,329
	32,079,794	25,910,645	30,606,517
Total equity and liabilities	52,744,768	48,376,661	52,102,310

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

-sgd-

Group Finance Director

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

-sgd-

Chairman

-sgd-

Director

15 August 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 2022	12,119,235	(24,700)	3,287,895	15,382,430
Loss for the period	-	-	(913,427)	(913,427)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(913,427)	(913,427)
As at 30 June 2022	12,119,235	(24,700)	2,374,468	14,469,003
As at 01 April 2021	12,119,235	(20,300)	2,896,138	14,995,073
Loss for the period	-	-	(213,086)	(213,086)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(213,086)	(213,086)
As at 30 June 2021	12,119,235	(20,300)	2,683,052	14,781,987

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 3 months to 30-06-2022	Un-audited 3 months to 30-06-2021	Un-audited 12 months to 31-03-2022
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Profit/ (loss) before tax	(913,427)	(213,086)	423,564
Adjustments for:			
Finance income	(728,185)	(475,902)	(1,723,751)
Dividend income	(239)	-	(1,712,285)
Finance cost	1,676,639	751,790	3,309,939
Change in fair value of investment property	-	-	(117,005)
Gratuity provision and related costs	3,379	2,999	22,180
Depreciation of property, plant and equipment	6,393	6,785	27,429
Amortisation right of use assets	12,673	6,367	34,683
(Profit)/ loss on sale of property, plant and equipment and right of use assets	-	5	(6,157)
Amortisation of loan processing fee	18,189	12,212	56,414
Amortisation/ impairment of intangible assets	780	778	2,268
Profit before working capital changes	76,202	91,948	317,279
Increase in inventories	(3,395)	-	-
(Increase)/ decrease in trade and other receivable	704,442	(264,756)	(1,474,752)
(Increase)/ decrease in other current assets	2,537	2,137	(645)
(Increase)/ decrease in amount due from related parties	(531,726)	(435,252)	603,155
Increase in trade and other payables	297,302	146,303	117,436
Decrease in amount due to related parties	(25,498)	(41,504)	(31)
Increase/ (decrease) in other current liabilities	6,887	(8,056)	(5,545)
Decrease in deferred income	-	(9,009)	(3,604)
Cash from/ (used in) operations	526,751	(518,189)	(446,707)
Finance income received	36,426	1,424,814	1,524,976
Finance expenses paid	(1,541,249)	(707,761)	(3,303,896)
Dividend received	239	-	1,712,285
Tax paid	-	-	(21,787)
Gratuity paid	(69)	(3,265)	(5,002)
Net cash flow from/ (used in) operating activities	(977,902)	195,599	(540,131)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(6,084)	(46)	(20,787)
Addition to intangible assets	-	-	(3,127)
Increase in interest in subsidiaries	-	(20,280)	(1,390,162)
(Purchase)/ disposal of other non current financial assets	25,000	(57,489)	(133,789)
(Purchase)/ disposal of short term investments (net)	390,649	-	(679,077)
Proceeds from sale of property, plant and equipment	-	-	11,682
Net cash flow from/ (used in) investing activities	409,565	(77,815)	(2,215,260)
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	1,885,000	1,354,299	4,453,193
Repayment of long term borrowings	(1,422,719)	(914,261)	(4,809,888)
Repayment of lease liabilities	(16,461)	(6,302)	(49,149)
Proceeds from/ (repayment of) short term borrowings (net)	634,071	(530,379)	3,119,906
Net cash flow from/ (used in) financing activities	1,079,891	(96,643)	2,714,062
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	511,554	21,141	(41,329)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	1,335,243	1,376,572	1,376,572
CASH AND CASH EQUIVALENTS AT THE END	1,846,797	1,397,713	1,335,243
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	2,012,537	1,547,928	1,485,572
Unfavourable balances			
Bank overdrafts	(165,740)	(150,215)	(150,329)
Cash and cash equivalents	1,846,797	1,397,713	1,335,243

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

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

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

REVENUE AND PROFIT In Rs. '000 For the three months ended 30 June	Information Technology		Leisure & Property		Retail & Telecommunication		Automobiles		Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group		
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	
Continuing operations																					
Revenue																					
Total revenue	2,031,133	1,454,668	371,747	96,426	10,016,429	13,628,536	1,290,310	222,969	5,894,530	4,682,170	5,545,329	4,979,208	257,486	254,549	25,406,964	25,318,526	-	-	25,406,964	25,318,526	
Inter group	(253,490)	(182,027)	(16,529)	(2,187)	(282,895)	(171,048)	(10,925)	(8,880)	(293)	(38,704)	(119,651)	(201,077)	(255,908)	(253,073)	(939,691)	(856,996)	-	-	(939,691)	(856,996)	
Total external revenue	1,777,643	1,272,641	355,218	94,239	9,733,534	13,457,488	1,279,385	214,089	5,894,237	4,643,466	5,425,678	4,778,131	1,578	1,476	24,467,273	24,461,530	-	-	24,467,273	24,461,530	
Operating profit/ (loss)	243,883	132,494	(213,214)	(271,906)	1,955,363	433,182	4,267	16,813	199,237	960,911	1,038,095	969,687	40,725	65,840	3,268,356	2,307,021	(1,320)	(33,829)	3,267,036	2,273,192	
Finance income	38,899	10,289	22,890	4,755	363,039	92,040	149	17	2,699,244	655,293	321,579	33,229	728,424	475,902	4,174,224	1,271,525	(1,308,043)	(584,064)	2,866,181	687,461	
Finance expenses	(157,023)	(20,650)	(422,246)	(129,957)	(2,850,171)	(973,123)	(53,372)	(22,246)	(683,118)	(223,223)	(776,100)	(274,368)	(1,675,138)	(751,516)	(6,617,168)	(2,395,083)	1,270,676	581,016	(5,346,492)	(1,814,067)	
Share of profit/ (loss) of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	2,995	(5,842)	2,995	(5,842)	-	-	2,995	(5,842)	
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(1,893,271)	(977,377)	-	-	-	-	(1,893,271)	(977,377)	-	-	(1,893,271)	(977,377)	
Profit/ (loss) before taxation	125,759	122,133	(612,570)	(397,108)	(531,769)	(447,901)	(48,956)	(5,416)	322,092	415,604	583,574	728,548	(902,994)	(215,616)	(1,064,864)	200,244	(38,687)	(36,877)	(1,103,551)	163,367	
Tax expense	(27,089)	(21,958)	-	884	(75,591)	12,235	-	162	(245,442)	(131,740)	(178,492)	(109,844)	(1,032)	(795)	(527,646)	(251,056)	-	-	(527,646)	(251,056)	
Profit/ (loss) after taxation	98,670	100,175	(612,570)	(396,224)	(607,360)	(435,666)	(48,956)	(5,254)	76,650	283,864	405,082	618,704	(904,026)	(216,411)	(1,592,510)	(50,812)	(38,687)	(36,877)	(1,631,197)	(87,689)	
Depreciation of property, plant & equipment (PPE)	9,219	10,685	138,847	131,941	351,492	307,378	6,564	7,016	44,641	47,252	384,449	339,235	6,479	6,872	941,691	850,379	-	-	941,691	850,379	
Amortisation of ROU assets	12,221	2,410	-	810	314,432	271,432	3,418	3,418	80,140	76,041	34,416	40,286	7,167	1,349	451,794	395,746	-	-	451,794	395,746	
Amortisation/ impairment of intangible assets	18,726	17,631	1,917	1,846	10,754	9,919	-	-	8,881	8,351	4	21	780	778	41,062	38,546	36,568	36,568	77,630	75,114	
Retirement benefit obligations and related cost	6,355	5,264	3,657	1,478	19,337	15,687	457	411	18,086	14,099	36,485	30,393	3,547	3,111	87,924	70,443	-	-	87,924	70,443	
Purchase and construction of PPE	4,923	2,379	4,587	4,607	689,772	324,816	-	23	28,066	14,988	406,883	209,133	7,622	541	1,141,853	556,487	-	-	1,141,853	556,487	
Additions to intangible assets	3,220	1,365	835	-	1,064	94	-	-	1,800	600	-	-	-	-	6,919	2,059	-	-	6,919	2,059	

Note : Figures in brackets indicate deductions.

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 June 2022 were authorised for issue by the Board of Directors on 15 August 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.

3. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

During the quarter, there were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy. The fair value changes on financial instruments in Level 3 category was properly recorded in the statement of other comprehensive income.

Fair valuation was done as of 30 June 2022 for all unquoted equity shares classified as Level 3 within the fair value hierarchy according to fair valuation methodology. Fair value would not significantly vary if one or more of the inputs were changed.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

4.1 Valuation of Life Insurance Fund (Zeroed Basis of Negative Liabilities at Product Level)

The valuation of life insurance fund as at 30 June 2022 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 30 June 2022 – Rs. 825 Mn (2021 - Rs. 486 Mn).

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

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

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

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholder fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000". Please refer Note 4.3 for details of assets supporting the restricted regulatory reserve as at 30 June 2022.

Movement in One-off Surplus Transfer 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 30 June 2022	1,056,535	-	1,056,535

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

4.3 Composition of investments supporting the Restricted Regulatory Reserve as at 30 June 2022

Asset Category	ISIN No.	Face value	Market value as at 30 June 2022 Rs. '000
Government Securities			
Treasury Bonds	LKB03044A010	100,000,000	71,797
	LKB01534I155	50,000,000	27,270
	LKB01534I155	50,000,000	27,270
	LKB01534I155	50,000,000	27,270
	LKB01534I155	50,000,000	27,270
	LKB01528I017	100,000,000	68,758
	LKB01529E014	50,000,000	35,461
	LKB01529E014	50,000,000	35,461
	LKB01529E014	50,000,000	35,461
	LKB00322K152	200,000,000	191,053
	LKB00628A153	100,000,000	96,378
	LKB00628A153	110,000,000	106,015
	LKB00628A153	100,000,000	96,378
	LKB00628A153	100,000,000	96,378
Total market value of the assets			942,220

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

5. SHARE INFORMATION

5.1 Public share holdings

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

As at	30-06-2022
Public shareholding (%)	11.72
Public shareholders	9,847
Float adjusted market capitalization (Rs. Mn.)	3,703.80

Minimum public holding percentage - The Company is in compliance with option 1 of the Listing Rules 7.14.1 (b) which requires 7.5% minimum public holding percentage and 200 minimum public shareholders.

5.2 Directors' share holdings

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

As at	30-06-2022
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	2,053,232
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
	721,637,004

5.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-06-2022	%
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 Samena Special Situations Fund III L.P.	53,653,654	4.50
7 Pemberton Asian Opportunities Fund	47,095,949	3.95
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 Mrs. A Kailasapillai	4,200,000	0.35
13 Dr. K M P Karunaratne	3,950,000	0.33
14 Mr. N Samarasuriya	3,842,857	0.32
15 Miss. S Subramaniam	3,800,000	0.32
16 Arunodhaya Industries (Private) Limited	3,557,864	0.30
17 Arunodhaya (Private) Limited	3,000,000	0.25
18 Mr. K Aravinthan	2,867,550	0.24
19 Mrs. K J A N Sangakkara	2,421,542	0.20
20 Mr. S R S DE Saram/ Mrs. S.T.T. Jayasundera	2,300,166	0.19

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

6. STATED CAPITAL MOVEMENTS

6.1 No of shares

	No of shares
As at 01 April 2022	1,192,543,209
As at 30 June 2022	1,192,543,209

6.2 Value of shares

	Rs. '000
As at 01 April 2021	12,119,235
As at 30 June 2022	12,119,235

7. INVESTOR INFORMATION

7.1 Market value of shares

30-06-2022

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

Last traded price on (Rs.)	26.50
Highest price recorded for the three months ending (Rs.)	39.80
Lowest price recorded for the three months ending (Rs.)	19.00
Market Capitalisation (Rs. Mn.)	31,602.40

7.2 Ratios

Net assets per share at the period end (Rs.)	(0.39)
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7.3 Share trading information from 01 April 2022 to 30 June 2022

Number of shares traded	7,772,612
Value of shares traded (Rs. Mn.)	204.20

8. CONTINGENCIES

CONTINGENT LIABILITIES

As at reporting date, there were no significant change in the nature of the contingencies and other commitments, which were disclosed in the interim financial statements for the year ended 31 March 2022 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 will be heard / mentioned again on September 2022 being notice returnable on the new CGIR and will be fixed for hearing thereafter.

9. CAPITAL COMMITMENTS

As at 30 June 2022, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 11,275 Mn (30 June 2021 - Rs. 12,591 Mn).

10. EVENTS AFTER THE REPORTING PERIOD

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

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with related parties

In Rs. '000	Group		Company	
	03 months to 30-06-2022	03 months to 30-06-2021	03 months to 30-06-2022	03 months to 30-06-2021
Subsidiaries				
(Purchases) / sales of goods	-	-	(1,585)	(200)
(Receiving) / rendering of services	-	-	204,495	214,005
(Purchases) / sale of property plant & equipment	-	-	(1,538)	46
Loans given / (obtained)	-	-	(2,907,561)	726,912
Interest received / (paid)	-	-	121,361	314,877
Rent received / (paid)	-	-	30,252	14,738
Guarantee charges received	-	-	67,845	55,255
Guarantees given / (obtained) - as at 30 June	-	-	38,045,570	32,492,122
Associates				
(Receiving) / rendering of services	1,736	1,256	1,445	1,359
Interest received / (paid)	88	38	88	38
Key management personnel				
Loans given/ (received)	526	(1,992)	(1,992)	(1,992)
Guarantees given/ (received)	(150,000)	(150,000)	-	-
Loans given/ (customer deposits received)	(19,227)	(5,933)	-	-
Advances given/ (received)	(49,511)	(31,442)	-	-
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