



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30 JUNE 2023

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 3 months to 30-06-2023	Un-audited 3 months to 30-06-2022	Change as a %	Un-audited 12 months to 31-03-2023
Continuing operations				
Revenue from contract with customers	17,125,642	18,648,578	(8)	72,855,069
Revenue from insurance contracts	5,844,884	4,941,419	18	20,458,558
Interest income	916,523	877,275	4	3,925,136
Total revenue	23,887,049	24,467,272	(2)	97,238,763
Cost of sales	(15,907,508)	(14,632,257)	9	(62,598,709)
Gross profit	7,979,541	9,835,015	(19)	34,640,054
Other operating income	293,682	343,044	(14)	1,592,852
Distribution expenses	(915,762)	(855,793)	7	(4,390,429)
Administrative expenses	(6,735,221)	(6,047,717)	11	(26,026,531)
Results from operating activities	622,240	3,274,549	(81)	5,815,946
Finance income	2,127,652	2,866,181	(26)	7,627,654
Finance expenses	(5,701,871)	(5,380,431)	6	(29,086,945)
Net finance cost	(3,574,219)	(2,514,250)	42	(21,459,291)
Change in fair value of investment property	-	-	-	77,486
Share of profit/ (loss) of equity accounted investees	2,333	2,995	(22)	36,091
Change in insurance contract liabilities	(912,172)	(1,893,271)	(52)	(1,948,266)
Loss before tax	(3,861,818)	(1,129,977)	242	(17,478,034)
Tax expense	(594,633)	(545,283)	9	(3,054,582)
Loss for the period	(4,456,451)	(1,675,260)	166	(20,532,616)
Attributable to:				
Equity holders of the parent	(4,835,415)	(2,121,598)	128	(21,733,979)
Non-controlling interest	378,964	446,338	(15)	1,201,363
	(4,456,451)	(1,675,260)	166	(20,532,616)
Loss per share				
Basic	(4.05)	(1.78)	128	(18.22)

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 30-06-2023	Un-audited 3 months to 30-06-2022	Change as a %	Un-audited 12 months to 31-03-2023
Loss for the period	(4,456,451)	(1,675,260)	166	(20,532,616)
Other comprehensive income				
Continuing operations				
Other comprehensive income to be reclassified to income statement in subsequent periods				
Currency translation of foreign operations	1,888	(5,450)	(135)	6,530
Net change in fair value on derivative financial instruments	721,787	(2,004,241)	(136)	(471,672)
Net profit/ (loss) on financial instruments at fair value through other comprehensive income	226,234	(382,078)	(159)	(256,113)
Net other comprehensive loss to be reclassified to income statement in subsequent periods	949,909	(2,391,769)	(140)	(721,255)
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Revaluation of land and buildings	-	-	-	6,575,275
Re-measurement profit on employee benefit liabilities	-	-	-	374,488
Share of other comprehensive profit of equity accounted investments (net of tax)	-	-	-	847
Net profit/ (loss) on equity instruments at fair value through other comprehensive income	181,874	(414,258)	(144)	(282,073)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	(3,492,794)
Net other comprehensive income/ (loss) not to be reclassified to income statement in subsequent periods	181,874	(414,258)	(144)	3,175,743
Other comprehensive income/ (loss) from continuing operations for the period, net of tax	1,131,783	(2,806,027)	(140)	2,454,488
Total comprehensive loss for the period, net of tax	(3,324,668)	(4,481,287)	(26)	(18,078,128)
Attributable to:				
Equity holders of the parent	(3,945,085)	(4,471,544)	(12)	(19,781,032)
Non-controlling interest	620,417	(9,743)	(6,468)	1,702,904
	(3,324,668)	(4,481,287)	(26)	(18,078,128)

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 30-06-2023	Un-audited as at 30-06-2022	Un-audited as at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	61,696,399	61,429,154	62,172,908
Right of use assets	7,385,895	8,012,879	7,774,205
Investment property	2,252,523	2,175,037	2,252,523
Intangible assets	8,115,605	8,392,240	8,180,697
Investments in equity accounted investments	63,545	47,269	61,213
Non-current financial assets	35,275,208	27,917,430	34,748,103
Rental receivable on lease assets and hire purchase	6,371,064	9,502,640	7,094,383
Other non-current assets	16,057,961	7,835,502	15,743,301
Deferred tax assets	2,945,376	2,784,120	2,780,103
	140,163,576	128,096,271	140,807,436
Current assets			
Inventories	9,846,294	13,808,060	10,493,112
Trade and other receivables	12,300,411	10,452,691	10,406,513
Loans and advances	5,971,238	8,009,146	7,756,234
Rental receivable on lease assets and hire purchase	641,711	1,043,578	726,456
Amounts due from related parties	83,450	1,902,602	83,358
Other current assets	3,491,625	8,423,310	3,634,471
Short term investments	9,619,852	17,246,650	10,213,339
Cash in hand and at bank	3,140,121	7,641,602	5,048,898
	45,094,702	68,527,639	48,362,381
Total assets	185,258,278	196,623,910	189,169,817
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(54,099,870)	(28,519,001)	(49,239,419)
Other components of equity	9,783,118	3,494,188	8,869,634
	(32,197,517)	(12,905,578)	(28,250,550)
Non-controlling interests	15,598,916	14,004,605	14,979,997
Total equity	(16,598,601)	1,099,027	(13,270,553)
Non-current liabilities			
Insurance contract liabilities	25,368,099	24,452,394	24,462,093
Interest bearing borrowings	45,892,787	43,075,982	46,276,923
Lease liabilities	5,462,025	6,112,402	6,086,079
Public deposits	2,438,285	4,016,534	3,094,921
Deferred tax liabilities	7,033,554	3,289,845	7,203,342
Employee benefit liabilities	1,594,634	1,765,560	1,550,632
Other deferred liabilities	44,359	32,383	41,476
Other non-current financial liabilities	777,951	741,433	777,906
	88,611,694	83,486,533	89,493,372
Current liabilities			
Trade and other payables	20,730,227	20,486,048	21,199,271
Amounts due to related parties	28,919	28,919	28,919
Income tax liabilities	1,937,299	814,785	1,822,350
Other current financial liabilities	53,718,649	45,738,758	53,077,397
Current portion of interest bearing borrowings	13,826,619	16,801,681	14,022,779
Current portion of lease liabilities	1,795,399	1,581,280	1,480,371
Other current liabilities	4,236,131	4,012,267	2,840,927
Public deposits	7,042,685	13,047,006	9,335,704
Bank overdrafts	9,929,257	9,527,606	9,139,280
	113,245,185	112,038,350	112,946,998
Total equity and liabilities	185,258,278	196,623,910	189,169,817

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

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Head of Finance

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

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Chairman

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Director

01 December 2023

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	Non-distributable regulatory loss allowance 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 2023	12,119,235	309,613	1,289,892	14,888,741	(135,926)	(1,560,325)	263,436	(1,688,891)	(4,496,906)	(49,239,419)	(28,250,550)	14,979,997	(13,270,553)
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	-	(4,835,415)	(4,835,415)	378,964	(4,456,451)
Other Comprehensive income	-	-	-	-	1,888	167,266	-	-	721,176	-	890,330	241,453	1,131,783
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	-	25,036	-	-	-	(25,036)	-	-	-
Total Comprehensive income/ (loss)	-	-	-	-	1,888	192,302	-	-	721,176	(4,860,451)	(3,945,085)	620,417	(3,324,668)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(1,882)	-	-	(1,882)	(1,498)	(3,380)
As at 30 June 2023	12,119,235	309,613	1,289,892	14,888,741	(134,038)	(1,368,023)	263,436	(1,690,773)	(3,775,730)	(54,099,870)	(32,197,517)	15,598,916	(16,598,601)
As at 01 April 2022	12,119,235	309,613	-	12,448,948	(141,749)	(1,339,562)	263,436	(1,670,898)	(4,025,654)	(26,397,403)	(8,434,034)	14,031,498	5,597,464
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	-	(2,121,598)	(2,121,598)	446,338	(1,675,260)
Other Comprehensive loss	-	-	-	-	(5,450)	(341,942)	-	-	(2,002,554)	-	(2,349,946)	(456,081)	(2,806,027)
Total Comprehensive loss	-	-	-	-	(5,450)	(341,942)	-	-	(2,002,554)	(2,121,598)	(4,471,544)	(9,743)	(4,481,287)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(17,150)	(17,150)
As at 30 June 2022	12,119,235	309,613	-	12,448,948	(147,199)	(1,681,504)	263,436	(1,670,898)	(6,028,208)	(28,519,001)	(12,905,578)	14,004,605	1,099,027

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 30-06-2023	Un-audited 3 months to 30-06-2022	Un-audited 12 months to 31-03-2023
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Profit/ (loss) before tax from continuing operations	(3,861,818)	(1,129,977)	(17,478,034)
Adjustments for:			
Finance income	(2,127,653)	(2,866,181)	(7,627,655)
Finance cost	5,701,871	5,380,431	29,086,945
Change in fair value of investment property	-	-	(77,486)
Share of results of equity accounted investees	(2,333)	(2,995)	(36,091)
Gratuity provision and related cost	95,171	86,251	416,320
Provisions for/ write-off of impaired receivables	33,301	67,485	38,282
Provision for write-off of inventories	22,504	38,989	81,926
Provisions for/ write-off of loans and advances	30,817	108,099	1,351,241
Provisions for/ write-off of investments in lease and hire purchase	57,615	100,397	311,326
Depreciation of property, plant and equipment	992,245	959,677	3,799,968
Profit on sale of property, plant and equipment and right of use assets	(16,310)	(10,221)	(57,816)
Impairment of investments	52,814	365,396	1,614,212
Amortisation/ impairment of intangible assets	71,761	78,207	308,460
Impairment/ derecognition of property, plant and equipment and right of use assets	(28,445)	-	6,874
Amortisation right of use assets	510,096	447,780	2,030,702
Profit before working capital changes	1,531,636	3,623,338	13,769,174
(Increase)/ decrease in inventories	624,313	(375,853)	2,896,158
Increase in trade and other receivables	(1,927,200)	(1,014,298)	(938,917)
(Increase)/ decrease in loans and advances	1,623,671	(551,905)	(916,511)
Decrease in investments in lease and hire purchase	750,448	616,270	3,130,720
(Increase)/ decrease in other current assets	(3,904)	(3,892,658)	321,320
(Increase)/ decrease in amounts due from related parties	(92)	(144)	1,819,099
Decrease in trade and other payables	(381,422)	(8,674,015)	(7,379,446)
Increase in other current liabilities	1,404,296	1,750,896	483,185
Increase/ (decrease) in deferred income	(6,211)	(89,063)	16,402
Increase/ (decrease) in public deposits	(2,949,655)	1,481,534	(3,151,381)
Increase in insurance contract liabilities	906,006	1,893,271	1,902,970
Cash generated from/ (used in) operations	1,571,886	(5,232,627)	11,952,773
Finance income received	1,820,547	1,266,729	6,738,599
Finance expenses paid	(5,110,946)	(4,742,782)	(25,272,582)
Dividend received	-	-	17,000
Tax paid	(456,713)	(261,670)	(1,305,885)
Gratuity paid	(50,669)	(30,899)	(201,408)
Net cash flow used in operating activities	(2,225,895)	(9,001,249)	(8,071,503)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(520,134)	(1,106,030)	(4,017,034)
Addition to intangible assets	(7,876)	(6,919)	(27,800)
Increase in other non-current assets	(314,660)	(175,088)	(2,273,842)
(Purchase)/ disposal of short term investments (net)	(695,736)	(2,339,028)	3,288,807
Dividends received	16,569	135,595	153,783
Purchase of non-current financial assets	(46,233)	(1,807,972)	(10,519,303)
Proceeds from sale of property, plant and equipment	23,844	34,276	149,237
Net cash flow used in investing activities	(1,544,226)	(5,265,166)	(13,246,152)

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 3 months to 30-06-2023	Un-audited 3 months to 30-06-2022	Un-audited 12 months to 31-03-2023
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from shareholders with non-controlling interest on issue of equity shares in subsidiaries	-	-	2,374
Direct cost on issue of shares	-	-	(1,646)
Dividend paid to non-controlling interest	(131)	(17,150)	(1,406,972)
Increase in interest in subsidiaries	(3,382)	-	(33,085)
Proceeds from long term borrowings	1,625,307	4,046,291	12,294,373
Repayment of long term borrowings	(1,819,878)	(2,769,754)	(10,356,432)
Repayment of lease liabilities	(667,348)	(620,457)	(2,572,748)
Increase/ (decrease) in other non-current financial liabilities	45	2,603	39,077
Proceeds from/ (repayment of) other current financial liabilities (net)	641,252	8,059,929	15,398,568
Net cash flow from financing activities	(224,135)	8,701,462	13,363,509
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,994,256)	(5,564,953)	(7,954,146)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	4,668,769	12,620,733	12,620,733
Effect of exchange rate changes	1,348	1,579	2,182
CASH AND CASH EQUIVALENTS AT THE END	675,861	7,057,359	4,668,769
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	3,140,121	7,641,602	5,048,898
Short term investments	7,464,997	8,943,363	8,759,151
Unfavourable balances			
Bank overdrafts	(9,929,257)	(9,527,606)	(9,139,280)
Cash and cash equivalents	675,861	7,057,359	4,668,769

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 30-06-2023	Un-audited 3 months to 30-06-2022	Change as a %	Un-audited 12 months to 31-03-2023
Revenue from contract with customers	209,037	246,220	(15)	750,593
Cost of sales	(94,455)	(87,924)	7	(402,373)
Gross profit	114,582	158,296	(28)	348,220
Dividend income	165	239	(31)	17,767
Other operating income	236	1,754	(87)	25,589
Administrative expenses	(139,680)	(125,262)	12	(547,203)
Results from operating activities	(24,697)	35,027	(171)	(155,627)
Finance income	773,924	728,185	6	3,537,717
Finance expenses	(2,410,926)	(1,676,639)	44	(9,802,791)
Net finance cost	(1,637,002)	(948,454)	73	(6,265,074)
Change in fair value of investment property	-	-	-	117,445
Loss before tax	(1,661,699)	(913,427)	82	(6,303,256)
Tax expense	-	-	-	(74,827)
Loss for the period	(1,661,699)	(913,427)	82	(6,378,083)

Note : Figures in brackets indicate deductions.
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Softlogic Holdings PLC

STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 3 months to 30-06-2023	Un-audited 3 months to 30-06-2022	Change as a %	Un-audited 12 months to 31-03-2023
Loss for the period	(1,661,699)	(913,427)	82	(6,378,083)
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Actuarial loss on retirement benefits	-	-	-	42,934
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	4,300
Tax on other comprehensive income	-	-	-	(12,880)
Other comprehensive income for the period, net of tax	-	-	-	34,354
Total comprehensive loss for the period, net of tax	(1,661,699)	(913,427)	82	(6,343,729)

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 30-06-2023	Un-audited as at 30-06-2022	Un-audited as at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	77,245	85,151	83,416
Right of use assets	226,916	252,985	215,968
Investment property	1,057,150	939,705	1,057,150
Intangible assets	316	1,054	1,366
Investments in subsidiaries	28,234,288	28,201,517	28,234,288
Investments in associates	41,000	41,000	41,000
Other non current financial assets	1,606,470	1,633,170	1,591,470
	31,243,385	31,154,582	31,224,658
Current assets			
Inventories	281	3,395	281
Trade and other receivables	966,215	1,604,380	848,459
Amounts due from related parties	18,548,048	16,459,402	17,007,806
Other current assets	83,614	95,576	87,163
Short term investments	116,917	395,577	119,285
Cash in hand and at bank	177,606	2,012,537	1,564,616
	19,892,681	20,570,867	19,627,610
Total assets	51,136,066	51,725,449	50,852,268
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(5,738,012)	1,358,289	(4,076,313)
Other components of equity	(20,400)	(24,700)	(20,400)
Total equity	6,360,823	13,452,824	8,022,522
Non-current liabilities			
Interest bearing borrowings	7,602,577	5,676,259	6,533,657
Lease liabilities	181,114	197,776	184,976
Deferred tax liabilities	255,779	178,072	255,779
Employee benefit liabilities	126,565	143,864	128,178
	8,166,035	6,195,971	7,102,590
Current liabilities			
Trade and other payables	2,402,703	490,390	1,963,153
Amounts due to related parties	149,855	23,673	55,229
Other current financial liabilities	26,269,926	23,308,735	25,947,776
Current portion of interest bearing borrowings	7,270,948	7,962,469	7,357,457
Current portion of lease liabilities	55,409	55,747	38,356
Other current liabilities	213,043	69,900	128,979
Bank overdrafts	247,324	165,740	236,206
	36,609,208	32,076,654	35,727,156
Total equity and liabilities	51,136,066	51,725,449	50,852,268

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

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Head of Finance

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

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Chairman

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Director

01 December 2023
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 2023	12,119,235	(20,400)	(4,076,313)	8,022,522
Loss for the period	-	-	(1,661,699)	(1,661,699)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,661,699)	(1,661,699)
As at 30 June 2023	12,119,235	(20,400)	(5,738,012)	6,360,823
As at 01 April 2022	12,119,235	(24,700)	2,271,716	14,366,251
Loss for the period	-	-	(913,427)	(913,427)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(913,427)	(913,427)
As at 30 June 2022	12,119,235	(24,700)	1,358,289	13,452,824

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 30-06-2023	Un-audited 3 months to 30-06-2022	Un-audited 12 months to 31-03-2023
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Loss before tax	(1,661,699)	(913,427)	(6,303,256)
Adjustments for:			
Finance income	(773,924)	(728,185)	(3,537,717)
Dividend income	(165)	(239)	(17,767)
Finance cost	2,410,926	1,676,639	9,802,791
Change in fair value of investment property	-	-	(117,445)
Provisions for/ write-off of impaired receivables	-	-	49,889
Gratuity provision and related costs	3,611	3,379	32,181
Depreciation of property, plant and equipment	6,441	6,393	28,490
Amortisation right of use assets	12,887	12,673	48,434
(Profit)/ loss on sale of property, plant and equipment and right of use assets	-	-	28
Amortisation of loan processing fee	-	18,189	-
Amortisation/ impairment of intangible assets	1,051	780	4,694
Profit/ (loss) before working capital changes	(872)	76,202	(9,678)
Increase in inventories	-	(3,395)	(281)
(Increase)/ decrease in trade and other receivable	(117,756)	704,442	1,408,663
(Increase)/ decrease in other current assets	3,549	2,537	10,950
(Increase)/ decrease in amount due from related parties	(952,854)	(531,726)	(1,705,187)
Increase in trade and other payables	(32,762)	297,302	1,775,013
Decrease in amount due to related parties	94,626	(25,498)	5,967
Increase/ (decrease) in other current liabilities	84,064	6,887	65,966
Cash from/ (used in) operations	(922,005)	526,751	1,551,413
Finance income received	173,901	36,426	3,542,017
Finance expenses paid	(1,555,599)	(1,541,249)	(8,802,228)
Dividend received	165	239	17,767
Tax paid	-	-	(10,001)
Gratuity paid	(5,224)	(69)	(1,533)
Net cash flow used in operating activities	(2,308,762)	(977,902)	(3,702,565)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(270)	(6,084)	(25,728)
Addition to intangible assets	-	-	(4,226)
Increase in interest in subsidiaries	-	-	(32,771)
(Purchase)/ disposal of other non current financial assets	-	25,000	-
(Purchase)/ disposal of short term investments (net)	-	390,649	665,561
Proceeds from sale of property, plant and equipment	-	-	-
Net cash flow from/ (used in) investing activities	(270)	409,565	602,836
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	1,200,499	1,885,000	4,607,284
Repayment of long term borrowings	(594,568)	(1,422,719)	(4,721,736)
Repayment of lease liabilities	(17,177)	(16,461)	(65,762)
Proceeds from/ (repayment of) short term borrowings (net)	322,150	634,071	3,273,110
Net cash flow from/ (used in) financing activities	910,904	1,079,891	3,092,896
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,398,128)	511,554	(6,833)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	1,328,410	1,335,243	1,335,243
CASH AND CASH EQUIVALENTS AT THE END	(69,718)	1,846,797	1,328,410
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	177,606	2,012,537	1,564,616
Unfavourable balances			
Bank overdrafts	(247,324)	(165,740)	(236,206)
Cash and cash equivalents	(69,718)	1,846,797	1,328,410

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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Continuing operations																				
Revenue																				
Total revenue	2,036,722	2,031,133	616,484	371,747	7,777,969	10,016,429	107,080	1,290,310	6,829,861	5,894,530	7,102,670	5,545,329	216,014	257,486	24,686,800	25,406,964	-	-	24,686,800	25,406,964
Inter group	(135,411)	(253,490)	(48,157)	(16,529)	(191,578)	(282,895)	(9,655)	(10,925)	(38,262)	(293)	(162,385)	(119,651)	(214,303)	(255,908)	(799,751)	(939,691)	-	-	(799,751)	(939,691)
Total external revenue	1,901,311	1,777,643	568,327	355,218	7,586,391	9,733,534	97,425	1,279,385	6,791,599	5,894,237	6,940,285	5,425,678	1,711	1,578	23,887,049	24,467,273	-	-	23,887,049	24,467,273
Operating profit/ (loss)	238,974	257,469	(226,006)	(213,654)	(470,199)	1,958,798	26,737	8,042	(562,817)	186,506	1,571,573	1,038,999	(27,446)	37,587	550,816	3,273,747	71,424	802	622,240	3,274,549
Finance income	50,152	38,899	457	22,890	431,338	363,039	59	149	2,237,145	2,699,244	600,974	321,579	774,089	728,424	4,094,214	4,174,224	(1,966,562)	(1,308,043)	2,127,652	2,866,181
Finance expenses	(136,870)	(157,023)	(364,562)	(421,806)	(2,320,560)	(2,884,550)	(116,962)	(53,372)	(970,089)	(683,118)	(1,241,400)	(776,100)	(2,408,867)	(1,675,138)	(7,559,310)	(6,651,107)	1,857,439	1,270,676	(5,701,871)	(5,380,431)
Share of profit/ (loss) of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	2,333	2,995	2,333	2,995	-	-	2,333	2,995
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(912,172)	(1,893,271)	-	-	-	-	(912,172)	(1,893,271)	-	-	(912,172)	(1,893,271)
Profit/ (loss) before taxation	152,256	139,345	(590,111)	(612,570)	(2,359,421)	(562,713)	(90,166)	(45,181)	(207,933)	309,361	931,147	584,478	(1,659,891)	(906,132)	(3,824,119)	(1,093,412)	(37,699)	(36,565)	(3,861,818)	(1,129,977)
Tax expense	(51,104)	(27,089)	-	-	(37,400)	(93,535)	-	-	(203,731)	(245,442)	(302,394)	(178,185)	(4)	(1,032)	(594,633)	(545,283)	-	-	(594,633)	(545,283)
Profit/ (loss) after taxation	101,152	112,256	(590,111)	(612,570)	(2,396,821)	(656,248)	(90,166)	(45,181)	(411,664)	63,919	628,753	406,293	(1,659,895)	(907,164)	(4,418,752)	(1,638,695)	(37,699)	(36,565)	(4,456,451)	(1,675,260)
Depreciation of property, plant & equipment (PPE)	7,972	9,219	137,169	138,847	376,879	369,478	6,085	6,564	41,535	44,641	416,097	384,449	6,508	6,479	992,245	959,677	-	-	992,245	959,677
Amortisation of ROU assets	1,087	12,221	-	-	375,127	310,418	3,378	3,418	83,913	80,140	38,890	34,416	7,700	7,167	510,095	447,780	-	-	510,095	447,780
Amortisation/ impairment of intangible assets	16,997	18,726	502	1,917	10,685	11,331	-	-	5,958	8,881	-	4	1,051	780	35,193	41,639	36,568	36,568	71,761	78,207
Retirement benefit obligations and related cost	7,017	6,355	3,108	3,657	17,820	17,664	473	457	18,390	18,086	44,557	36,485	3,806	3,547	95,171	86,251	-	-	95,171	86,251
Purchase and construction of PPE	8,110	3,978	2,205	4,587	162,272	671,333	-	-	71,642	28,212	275,635	390,298	270	7,622	520,134	1,106,030	-	-	520,134	1,106,030
Additions to intangible assets	6,188	3,220	-	835	1,688	1,064	-	-	-	1,800	-	-	-	-	7,876	6,919	-	-	7,876	6,919

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 2023 were authorised for issue by the Board of Directors on 01 December 2023.

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 2023 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 2023 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 2023 - Rs. 407 Mn (2022 - Rs. 825 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 2023.

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 2023	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 2023

Asset Category	ISIN No.	Face value	Market value as at 30 June 2023 Rs. '000
Government Securities			
Treasury Bonds	LKB00628A153	100,000,000	98,554
	LKB00628A153	110,000,000	108,410
	LKB00628A153	100,000,000	98,554
	LKB00628A153	100,000,000	98,554
	LKB00931E153	100,000,000	93,966
	LKB00931E153	100,000,000	93,966
	LKB00931E153	120,000,000	112,759
	LKB00931E153	100,000,000	93,966
	LKB00931E153	100,000,000	93,966
	LKB00931E153	100,000,000	93,966
	LKB01528I017	100,000,000	74,795
Total market value of the assets			1,061,456

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	30-06-2023
Public shareholding (%)	13.09
Public shareholders	10,063
Float adjusted market capitalization (Rs. Mn.)	2,482.05
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	30-06-2023
A K Pathirage - Chairman/ Managing Director	493,125,865
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
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
	<u>720,337,017</u>

5.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-06-2023	%
1 Mr. A K Pathirage	493,125,865	41.35
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 Mr. N Samarasuriya	4,426,601	0.37
13 Mrs. A Kailasapillai	4,200,000	0.35
14 Dr. K M P Karunaratne	3,950,000	0.33
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 Mr. S R S De Saram/ Mrs. S T T Jayasundera	2,427,552	0.20
20 Dr. S Selliah	2,053,232	0.17

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

6. STATED CAPITAL MOVEMENTS

6.1 No of shares

	No of shares
As at 01 April 2023	1,192,543,209
As at 30 June 2023	1,192,543,209

6.2 Value of shares

	Rs. '000
As at 01 April 2023	12,119,235
As at 30 June 2023	12,119,235

7. INVESTOR INFORMATION

7.1 Market value of shares

30-06-2023

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

Last traded price on (Rs.)	-
Highest price recorded for the three months ending (Rs.)	-
Lowest price recorded for the three months ending (Rs.)	-
Market Capitalisation (Rs. Mn.)	-

7.2 Ratios

Net assets per share at the period end (Rs.)	(27.00)
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7.3 Share trading information from 01 April 2023 to 30 June 2023

Number of shares traded	-
Value of shares traded (Rs. Mn.)	-

8. CONTINGENCIES

CONTINGENT LIABILITIES

As at reporting date, there were no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2022.

9. CAPITAL COMMITMENTS

As at 30 June 2023, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 11,914.00 Mn (30 June 2022 - Rs. 11,275.00 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 30-06-2023	03 months to 30-06-2022	03 months to 30-06-2023	03 months to 30-06-2022
Subsidiaries				
(Purchases)/ sales of goods	-	-	(1,868)	(1,585)
(Receiving)/ rendering of services	-	-	166,346	204,495
(Purchases)/ sale of property plant & equipment	-	-	(81)	(1,538)
Loans given/ (obtained)	-	-	1,305,911	(2,907,561)
Interest received/ (paid)	-	-	(332,396)	121,361
Rent received/ (paid)	-	-	30,583	30,252
Guarantee charges received	-	-	70,661	67,845
Guarantees given/ (obtained) - as at 30 June	-	-	39,207,354	38,045,570
Associates				
(Purchases) / sale of property plant & equipment	1,075	-	-	-
(Receiving) / rendering of services	1,403	1,736	56	1,445
Interest received / (paid)	128	88	128	88
Key management personnel				
Advance given/ (received)	78,351	1,898,092	(1,992)	(1,992)
Guarantees given/ (received)	(150,000)	(150,000)	-	-
Loans given/ (customer deposits received)	-	(19,227)	-	-
Advances given/ (received)	(49,511)	(49,511)	-	-
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

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Colombo 05

Sri Lanka

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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

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

Prof. A S Dharmasiri

Related Party Transaction Committee

Prof. A S Dharmasiri - Chairman

H K Kaimal

HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

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