



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
31 DECEMBER 2023

Dear Stakeholders,

Rs. Mn	3QFY24	3QFY23	Change	1-3QFY24	1-3QFY23	Change
Revenue	27,578	25,243	9%	75,552	72,541	4%
Gross profit	9,975	8,689	15%	25,540	26,774	-5%
EBITDA	3,991	2,195	217%	6,952	9,078	-23%
Operating Profit	2,974	1,167	155%	3,806	6,023	-37%

The economic landscape in Sri Lanka has seen notable shifts and policy adjustments recently. These developments reflect a concerted effort to stabilize the economy, enhance revenue streams, support tourism recovery, and secure external financial assistance to address macroeconomic challenges.

Against this backdrop, the Group strongly witnessed renewed business revival recording improved financial performance in core sectors during the quarter. The Group achieved a consolidate revenue growth of 4.2% to Rs. 75.6 Bn during the nine-month period under review while the quarter recorded a revenue growth of 9.3% to Rs. 27.6 Bn. During the cumulative period, the Retail sector contributed 34% to Group revenue while Healthcare Services made up 28%. 27% of Group topline was generated from Financial Services while 7% was from the IT sector. Leisure & Property and Automobile together took up 3.1% of Consolidated revenue.

Gross Profit declined 4.6% to Rs. 25.5 Bn during the cumulative period as a result GP margin contraction from 36.9% to 33.8%. This margin contraction was particularly led by the import-oriented sectors which witnessed rapid cost increase amid local and global inflation and Rupee depreciation. However, the positive economic developments supported the Group to register a GP margin improvement due to inflation containment and strengthening of the Rupee during the quarter from 34.4% to 36.2% resulting in quarterly Gross Profit to reach Rs.10 Bn, up 14.8%.

The Group achieved an EBITDA growth of 82% to Rs. 4.0 Bn during the quarter while cumulative EBITDA was Rs. 7.0 Bn. Cost optimization initiatives coupled with inflation contraction led the quarterly operating cost to decline 7.1% to Rs. 7.4 Bn as opposed to Rs. 7.9 Bn recorded in the comparative quarter. Operating cost margins improved from 11% in 3QFY23 to 9.8% in 3QFY24. Subsequently, quarterly operating profit was Rs. 3 Bn compared with Rs. 1.2 Bn in the corresponding quarter. Cumulative operating profit was Rs. 3.8 Bn.

Finance Income, predominantly derived from the insurance business's investment income, was Rs. 6.1 Bn for the cumulative period while Rs. 1.8 Bn was recorded for the quarter.

Softlogic Group benefitted from the reducing interest rates as it witnessed finance cost reducing 25.8% to Rs. 16.2 Bn for the nine-month period while a solid 44.4% reduction in finance cost to Rs. 5 Bn was incurred during the quarter.

The transfer of Rs. 2.9 Bn to the Life Fund during the cumulative period compared with Rs. 2 Bn in the comparative period signifies the difference between income and expenditure attributable to life policyholders during the period. The quarter registered a transfer of Rs. 1.5 Bn as opposed to Rs. 254 Mn recorded in the comparative quarter.

The Group's performance witnessed a strong revival during the quarter where PAT improved 76.7% to trim the losses to Rs. 1.7 Bn during the quarter while taking cumulative losses to Rs. 10.5 Bn (post-adjustments) compared with Rs. 13.9 Bn loss in the comparative period.

SEGMENT HIGHLIGHTS

Rs. Mn	Revenue			EBITDA		
	1-3QFY24	1-3QFY23	Change	1-3QFY24	1-3QFY23	Change
Retail & Telecommunication	25,737	27,899	-8%	141	3,608	-96%
Healthcare Services	21,255	18,149	17%	6,010	5,362	12%
Financial Services	20,766	18,193	14%	(492)	(868)	43%
Information Technology	5,445	5,628	-3%	687	1,070	-36%
Leisure & Property	2,067	1,409	47%	63	(187)	133%
Automobiles	277	1,258	-78%	75	(103)	173%
Group	75,552	72,541	4%	6,952	9,078	-23%

Rs. Mn	Revenue			EBITDA		
	3QFY24	3QFY23	Change	3QFY24	3QFY23	Change
Retail & Telecommunication	9,713	9,400	3%	340	118	188%
Healthcare Services	7,315	6,645	10%	2,122	2,244	-5%
Financial Services	7,747	6,718	15%	621	(615)	201%
Information Technology	1,867	1,699	10%	320	366	-12%
Leisure & Property	842	653	29%	154	2	7615%
Automobiles	92	127	-27%	25	(195)	113%
Group	75,552	72,541	4%	3,991	2,195	82%

Retail sector recorded a 3% increase in quarterly revenue to Rs. 9.7 Bn while the cumulative sector revenue was Rs. 25.7 Bn. Quarterly sector EBITDA achieved more than two-fold growth to Rs. 340 Mn while Rs. 141 Mn was recorded for the cumulative period.

A 17% revenue growth was recorded in the healthcare sector to Rs. 21.3 Bn during the cumulative period while a 10% quarterly revenue growth to Rs. 7.3 Bn was achieved. Cumulative sector EBITDA witnessed a 12% growth to Rs. 6 Bn while quarterly EBITDA was Rs. 2.1 Bn. Sector profitability witnessed a strong 77% growth to Rs. 2.2 Bn.

Softlogic Life Insurance recorded a 18% GWP growth to Rs. 20.4 Bn during the cumulative period, exceeding industry growth rates. Due to increasing interest rates and a legacy business environment, which adversely impacted performance, Softlogic Finance operated under regulatory constraints. As of 31Dec23, customer deposits amounted to Rs. 7.9 Bn.

Financial Services sector achieved a topline growth of 14% to Rs. 20.8 Bn during the cumulative period while the quarter recorded a 15% growth to Rs. 7.7 Bn. The quarter also recorded a turnaround in sector's operating profit to Rs. 572 Mn compared with an operating loss of Rs. 666 Mn registered in the comparative quarter. Sector profitability achieved a strong turnaround closing the period with a PAT of Rs. 727 Mn (Rs. 39 Mn loss in 1-3QFY23).

IT sector recorded a quarterly revenue growth of 10% to Rs. 1.9 Bn while the cumulative sector topline was Rs. 5.4 Bn. Primarily led by decreased interest expenses, the sector's profitability grew 54% to Rs. 334 Mn during the cumulative period.

The hotel sector's strong performance during the quarter paved way for a 29% growth in leisure sector topline leading it to achieve an EBITDA of Rs. 154 Mn (Rs. 2 Mn in 3QFY23) which reduced quarterly losses. Cumulative topline was Rs. 2.1 Bn, up 47% while sector EBITDA was Rs. 63 Mn (loss of Rs. 187 Mn in 1-3QFY23). Cumulative sector net loss had reduced as a result.

Automobile sector continued to be plagued with import bans.

OUTLOOK

The Group anticipates continued challenges in the macroeconomic environment, particularly concerning consumer disposable income with imposition of unrealistic personal taxes and VAT. The effects of various tax adjustments and inflationary pressures are expected to persist, impacting the purchasing power of the general population. Government should consider reducing taxes to stimulate economic activity by ensuring disposable income in the hands of consumers are adequate for spending purposes otherwise SMEs will not survive going forward. Despite these challenges, the Group remains optimistic about its ability to minimize those challenges while harnessing opportunities that evolve positively.

As part of the Group's revival plan, the Rs. 10 Bn equity infusion through Rights and Warrants is expected to significantly alleviate financial pressure, with the proceeds being allocated for debt settlements. Additional equity infusions are proposed at sector levels along with assets and investment optimisation to support further revival the Group's financial position.

We have entered into a 99-year lease agreement with the Colombo's Port City Development to establish a state-of-the-art hospital with 500 beds, in partnership with the prestigious Mayo Clinic. This initiative targets the regional medical tourism markets. The hospital will enjoy a 25-year tax exemption from the commencement of operations, with a reduced tax rate of 50% for a further 10 years thereafter, offering substantial tax benefits. Softlogic Life Insurance has submitted a bid for the acquisition of Sri Lanka Insurance Corporation, while the Asiri Group has placed a bid for the acquisition of Lanka Hospitals Corporation PLC. Pre-arranged funding for these potential acquisitions would be sourced through external offshore counterparties. The completion of these acquisitions, which is subject to a transparent and competitive bidding process, is expected to yield substantial synergies, propelling the Group to dominant market positions in their respective sectors.

With the economy rebounding, while the CBSL's and the Ministry of Finance's policy initiatives are geared to supporting economic growth while containing inflation and interest rates the Group is expected to reap significant financial cost savings while an uptick in consumer demand supports greater viability of the Group despite legacy overhangs. Looking forward, coupled with a rebound in economic activity, these strategic actions, taken together, are expected to contribute significantly to the Group's financial rewards.

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ASHOK PATHIRAGE
CHAIRMAN
15 March 2024

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 9 months to 31-12-2023	Un-audited 9 months to 31-12-2022	Change as a %	Un-audited 3 months to 31-12-2023	Un-audited 3 months to 31-12-2022	Change as a %	Un-audited 12 months to 31-03-2023
Continuing operations							
Revenue from contract with customers	54,971,650	54,528,907	1	19,873,011	18,579,983	7	72,515,676
Revenue from insurance contracts	18,505,427	15,113,552	22	7,181,320	5,637,660	27	20,458,558
Interest income	2,074,694	2,898,975	(28)	524,148	1,025,761	(49)	3,925,136
Total revenue	75,551,771	72,541,434	4	27,578,479	25,243,404	9	96,899,370
Cost of sales	(50,011,920)	(45,767,682)	9	(17,603,744)	(16,554,395)	6	(62,803,630)
Gross profit	25,539,851	26,773,752	(5)	9,974,735	8,689,009	15	34,095,740
Other operating income	1,021,477	1,119,398	(9)	382,234	423,071	(10)	1,592,436
Distribution expenses	(2,555,439)	(2,632,809)	(3)	(770,599)	(1,042,406)	(26)	(4,438,786)
Administrative expenses	(20,199,433)	(19,237,670)	5	(6,612,058)	(6,902,412)	(4)	(29,398,481)
Results from operating activities	3,806,456	6,022,671	(37)	2,974,312	1,167,262	155	1,850,909
Finance income	6,079,692	6,243,020	(3)	1,810,468	1,923,862	(6)	8,024,438
Finance expenses	(16,227,797)	(21,870,510)	(26)	(5,018,311)	(9,019,511)	(44)	(28,951,205)
Net finance cost	(10,148,105)	(15,627,490)	(35)	(3,207,843)	(7,095,649)	(55)	(20,926,767)
Change in fair value of investment property	-	-	-	-	-	-	77,486
Share of profit/ (loss) of equity accounted investees	13,842	2,995	362	7,699	(2,071)	(472)	38,960
Change in insurance contract liabilities	(2,901,290)	(2,021,474)	44	(1,457,537)	(254,429)	473	(1,948,266)
Loss before tax	(9,229,097)	(11,623,298)	(21)	(1,683,369)	(6,184,887)	(73)	(20,907,678)
Tax expense	(1,282,163)	(2,316,706)	(45)	(20,921)	(1,103,157)	(98)	(2,749,618)
Loss for the period	(10,511,260)	(13,940,004)	(25)	(1,704,290)	(7,288,044)	(77)	(23,657,296)
Attributable to:							
Equity holders of the parent	(12,922,133)	(15,320,322)	(16)	(3,180,264)	(7,759,929)	(59)	(24,076,881)
Non-controlling interest	2,410,873	1,380,318	75	1,475,974	471,885	213	419,585
	(10,511,260)	(13,940,004)	(25)	(1,704,290)	(7,288,044)	(77)	(23,657,296)
Loss per share							
Basic	(10.84)	(12.85)	(16)	(2.67)	(6.51)	(59)	(20.19)

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 9 months to 31-12-2023	Un-audited 9 months to 31-12-2022	Change as a %	Un-audited 3 months to 31-12-2023	Un-audited 3 months to 31-12-2022	Change as a %	Un-audited 12 months to 31-03-2023
Loss for the period	(10,511,260)	(13,940,004)	(25)	(1,704,290)	(7,288,044)	(77)	(23,657,296)
Other comprehensive income							
Continuing operations							
Other comprehensive income to be reclassified to income statement in subsequent periods							
Currency translation of foreign operations	1,166	(10,968)	(111)	(686)	7,784	(109)	5,740
Net change in fair value on derivative financial instruments	291,112	(2,169,733)	(113)	70,159	(118,558)	(159)	(256,113)
Net profit/ (loss) on financial instruments at fair value through other comprehensive income	243,957	(438,047)	(156)	(230,686)	(105,085)	120	(418,344)
Net other comprehensive loss to be reclassified to income statement in subsequent periods	536,235	(2,618,748)	(120)	(161,213)	(215,859)	(25)	(668,717)
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Revaluation of land and buildings	43,784	-	-	43,784	-	-	5,197,040
Re-measurement gain/ (loss) on employee benefit liabilities	(20,845)	26,215	(180)	(20,845)	26,215	(180)	387,312
Share of other comprehensive income of equity accounted investments (net of tax)	-	-	-	-	-	-	849
Net profit/ (loss) on equity instruments at fair value through other comprehensive income	641,956	(469,021)	(237)	(75,205)	(203,456)	(63)	(282,073)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	(1,139,770)	(100)	-	(1,139,770)	(100)	(3,682,992)
Net other comprehensive income/ (loss) not to be reclassified to income statement in subsequent periods	664,895	(1,582,576)	(142)	(52,266)	(1,317,011)	(96)	1,620,136
Other comprehensive income/ (loss) from continuing operations for the period, net of tax	1,201,130	(4,201,324)	(129)	(213,479)	(1,532,870)	(86)	951,419
Total comprehensive loss for the period, net of tax	(9,310,130)	(18,141,328)	(49)	(1,917,769)	(8,820,914)	(78)	(22,705,877)
Attributable to:							
Equity holders of the parent	(12,239,848)	(18,471,914)	(34)	(3,221,569)	(8,589,741)	(62)	(23,624,016)
Non-controlling interest	2,929,718	330,586	786	1,303,800	(231,173)	(664)	918,139
	(9,310,130)	(18,141,328)	(49)	(1,917,769)	(8,820,914)	(78)	(22,705,877)

Note : Figures in brackets indicate deductions.

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Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 31-12-2023	Un-audited as at 31-12-2022	Un-audited as at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	59,113,938	61,795,500	60,811,514
Right of use assets	6,969,708	7,363,853	7,792,774
Investment property	2,252,523	2,175,037	2,252,523
Intangible assets	7,994,043	8,247,416	8,180,461
Investments in equity accounted investments	47,924	47,269	64,083
Non-current financial assets	34,331,723	32,279,651	33,421,420
Rental receivable on lease assets and hire purchase	4,618,408	7,860,150	7,094,383
Other non-current assets	16,545,636	9,349,944	15,757,032
Deferred tax assets	3,550,845	2,577,269	2,737,200
	135,424,748	131,696,089	138,111,390
Current assets			
Inventories	9,423,294	12,202,234	10,186,740
Trade and other receivables	10,404,790	10,472,585	8,273,753
Loans and advances	4,254,035	9,227,842	7,756,234
Rental receivable on lease assets and hire purchase	477,766	909,463	726,455
Amounts due from related parties	110,220	306,847	109,933
Other current assets	4,404,164	5,410,766	3,597,282
Short term investments	10,683,169	15,502,335	10,214,957
Cash in hand and at bank	3,206,091	4,268,349	5,260,169
	42,963,529	58,300,421	46,125,523
Total assets	178,388,277	189,996,510	184,236,913
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(64,504,554)	(41,707,198)	(51,548,609)
Other components of equity	8,002,771	2,654,081	7,351,222
	(44,382,548)	(26,933,882)	(32,078,152)
Non-controlling interests	17,220,886	14,283,671	14,206,292
Total equity	(27,161,662)	(12,650,211)	(17,871,860)
Non-current liabilities			
Insurance contract liabilities	27,201,868	25,338,502	24,462,094
Interest bearing borrowings	42,854,853	47,603,504	42,901,064
Lease liabilities	5,619,668	5,570,444	5,595,958
Public deposits	2,276,695	3,385,866	3,094,921
Deferred tax liabilities	7,054,660	4,750,813	6,997,084
Employee benefit liabilities	1,678,133	1,809,133	1,556,994
Other deferred liabilities	35,521	48,015	146
Other non-current financial liabilities	763,999	739,874	777,906
	87,485,397	89,246,151	85,386,167
Current liabilities			
Trade and other payables	22,820,513	19,616,050	20,411,053
Amounts due to related parties	28,919	28,919	28,919
Income tax liabilities	2,242,619	1,512,403	1,871,190
Other current financial liabilities	52,437,860	53,347,933	53,328,649
Current portion of interest bearing borrowings	18,441,179	13,582,135	18,129,698
Current portion of lease liabilities	1,444,960	1,425,198	1,896,051
Other current liabilities	5,021,327	4,059,527	2,338,659
Public deposits	5,614,161	10,034,481	9,335,694
Bank overdrafts	10,013,004	9,793,924	9,382,693
	118,064,542	113,400,570	116,722,606
Total equity and liabilities	178,388,277	189,996,510	184,236,913

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.

-sgd-

Chairman

-sgd-

Director

15 March 2024
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 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	1,289,904	13,311,383	(136,714)	(1,552,983)	263,436	(1,689,786)	(4,443,631)	(51,548,609)	(32,078,152)	14,206,292	(17,871,860)
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	-	(12,922,133)	(12,922,133)	2,410,873	(10,511,260)
Other Comprehensive income	-	-	-	17,539	1,166	381,062	-	-	290,869	(8,351)	682,285	518,845	1,201,130
Equity investments at FVOCI reclassified to retained earnings	-	-	-	-	-	25,461	-	-	-	(25,461)	-	-	-
Total Comprehensive income/ (loss)	-	-	-	17,539	1,166	406,523	-	-	290,869	(12,955,945)	(12,239,848)	2,929,718	(9,310,130)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(64,548)	-	-	(64,548)	133,876	69,328
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(49,000)	(49,000)
As at 31 December 2023	12,119,235	309,613	1,289,904	13,328,922	(135,548)	(1,146,460)	263,436	(1,754,334)	(4,152,762)	(64,504,554)	(44,382,548)	17,220,886	(27,161,662)
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	-	-	-	-	-	-	-	-	-	(15,320,322)	(15,320,322)	1,380,318	(13,940,004)
Other Comprehensive income/ (loss)	-	-	-	(596,008)	(10,968)	(387,236)	-	-	(2,167,907)	10,527	(3,151,592)	(1,049,732)	(4,201,324)
Total Comprehensive income/ (loss)	-	-	-	(596,008)	(10,968)	(387,236)	-	-	(2,167,907)	(15,309,795)	(18,471,914)	330,586	(18,141,328)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(27,934)	-	-	(27,934)	(2,463)	(30,397)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(75,950)	(75,950)
As at 31 December 2022	12,119,235	309,613	-	11,852,940	(152,717)	(1,726,798)	263,436	(1,698,832)	(6,193,561)	(41,707,198)	(26,933,882)	14,283,671	(12,650,211)

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 9 months to 31-12-2023	Un-audited 9 months to 31-12-2022	Un-audited 12 months to 31-03-2023
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Loss before tax from continuing operations	(9,229,097)	(11,623,298)	(20,907,678)
Adjustments for:			
Finance income	(6,079,692)	(6,243,020)	(8,024,438)
Finance cost	16,227,797	21,870,510	28,951,205
Change in fair value of investment property	-	-	(77,486)
Share of results of equity accounted investees	(13,842)	(2,995)	(38,960)
Gratuity provision and related cost	299,435	262,814	439,528
Provisions for/ write-off of impaired receivables	97,002	92,936	92,420
Provision for write-off of inventories	54,180	42,734	58,612
Provisions for/ write-off of loans and advances	455,682	108,099	1,351,242
Provisions for/ write-off of investments in lease and hire purchase	104,496	100,397	289,151
Depreciation of property, plant and equipment	2,928,519	2,826,467	3,783,680
Profit on sale of property, plant and equipment	(22,421)	(28,546)	(41,187)
Impairment of investments	(130,395)	1,458,098	2,940,895
Amortisation/ impairment of intangible assets	216,768	229,038	308,693
Impairment/ derecognition of property, plant and equipment and right of use assets	-	-	23,520
Amortisation right of use assets	1,302,193	1,542,187	1,820,188
Profit before working capital changes	6,210,625	10,635,421	10,969,385
Decrease in inventories	709,265	1,226,228	3,224,867
(Increase)/ decrease in trade and other receivables	(2,227,305)	(1,059,644)	1,139,696
(Increase)/ decrease in loans and advances	3,957,302	(1,677,724)	(916,511)
Decrease in investments in lease and hire purchase	2,620,169	2,392,874	3,152,896
(Increase)/ decrease in other current assets	(824,491)	(1,412,894)	357,834
(Increase)/ decrease in amounts due from related parties	(287)	1,595,610	1,792,525
Increase/ (decrease) in trade and other payables	2,428,833	(10,499,592)	(8,076,980)
Increase/ (decrease) in other current liabilities	2,761,701	1,801,314	(60,413)
Increase/ (decrease) in deferred income	(43,658)	(76,589)	16,402
Decrease in public deposits	(4,539,759)	(2,161,659)	(3,151,391)
Increase in insurance contract liabilities	2,739,775	2,779,379	1,902,970
Cash generated from operations	13,792,170	3,542,724	10,351,280
Finance income received	6,251,077	4,599,659	8,203,408
Finance expenses paid	(12,013,683)	(18,383,173)	(24,117,607)
Dividends received	30,000	-	20,000
Tax paid	(1,615,646)	(787,401)	(1,308,887)
Gratuity paid	(199,140)	(137,674)	(206,360)
Net cash flow from/ (used in) operating activities	6,244,778	(11,165,865)	(7,058,166)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(1,418,125)	(3,483,959)	(3,986,836)
Addition to intangible assets	(30,604)	(14,074)	(27,800)
Increase in other non-current assets	(798,002)	(1,689,530)	(2,287,922)
(Purchase)/ disposal of short term investments (net)	(3,617,133)	3,839,438	3,879,944
Dividends received	17,008	135,595	153,783
Purchase of non-current financial assets	(1,738,276)	(6,465,209)	(12,296,084)
Acquisition of business, net of cash acquired	(210,795)	-	-
Proceeds from sale of property, plant and equipment	76,207	179,443	141,409
Net cash flow used in investing activities	(7,719,720)	(7,498,296)	(14,423,506)

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 9 months to 31-12-2023	Un-audited 9 months to 31-12-2022	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	2,374
Direct cost on issue of shares	-	-	(1,646)
Dividend paid to non-controlling interest	(65,159)	(75,950)	(1,406,972)
Increase in interest in subsidiaries	(11,175)	(32,771)	(33,085)
Proceeds from long term borrowings	3,047,976	9,250,157	11,092,410
Repayment of long term borrowings	(5,293,436)	(8,222,202)	(9,236,363)
Repayment of lease liabilities	(2,085,469)	(1,837,927)	(2,610,230)
Increase/ (decrease) in other non-current financial liabilities	(13,907)	1,045	39,077
Proceeds from/ (repayment of) other current financial liabilities (net)	(890,789)	15,669,104	15,649,820
Net cash flow from/ (used in) financing activities	(5,311,959)	14,753,830	13,495,385
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,786,901)	(3,910,331)	(7,986,287)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	4,636,628	12,620,733	12,620,733
Effect of exchange rate changes	193	774	2,182
CASH AND CASH EQUIVALENTS AT THE END	(2,150,080)	8,711,176	4,636,628
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	3,206,091	4,268,349	5,260,169
Short term investments	4,656,833	14,236,751	8,759,152
Unfavourable balances			
Bank overdrafts	(10,013,004)	(9,793,924)	(9,382,693)
Cash and cash equivalents	(2,150,080)	8,711,176	4,636,628

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 9 months to 31-12-2023	Un-audited 9 months to 31-12-2022	Change as a %	Un-audited 3 months to 31-12-2023	Un-audited 3 months to 31-12-2022	Change as a %	Un-audited 12 months to 31-03-2023
Revenue from contract with customers	753,218	555,581	36	252,384	197,920	28	750,593
Cost of sales	(280,568)	(287,294)	(2)	(99,005)	(79,398)	25	(402,373)
Gross profit	472,650	268,287	76	153,379	118,522	29	348,220
Dividend income	25,924	-	-	25,544	-	-	17,767
Other operating income	5,448,718	5,750	94,660	6,000	1,745	244	25,618
Administrative expenses	(413,450)	(369,935)	12	(135,339)	(132,729)	2	(1,494,914)
Results from operating activities	5,533,842	(95,898)	(5,871)	49,584	(12,462)	(498)	(1,103,309)
Finance income	2,337,074	2,939,255	(20)	798,574	1,108,392	(28)	3,750,675
Finance expenses	(6,420,908)	(7,175,159)	(11)	(1,940,230)	(3,018,865)	(36)	(9,802,087)
Net finance cost	(4,083,834)	(4,235,904)	(4)	(1,141,656)	(1,910,473)	(40)	(6,051,412)
Change in fair value of investment property	-	-	-	-	-	-	117,445
Profit/ (loss) before tax	1,450,008	(4,331,802)	(133)	(1,092,072)	(1,922,935)	(43)	(7,037,276)
Tax expense	-	-	-	-	-	-	(74,827)
Profit/ (loss) for the period	1,450,008	(4,331,802)	(133)	(1,092,072)	(1,922,935)	(43)	(7,112,103)

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 9 months to 31-12-2023	Un-audited 9 months to 31-12-2022	Change as a %	Un-audited 3 months to 31-12-2023	Un-audited 3 months to 31-12-2022	Change as a %	Un-audited 12 months to 31-03-2023
Profit/ (loss) for the period	1,450,008	(4,331,802)	(133)	(1,092,072)	(1,922,935)	(43)	(7,112,103)
Other comprehensive income							
Other comprehensive income not to be reclassified to income statement in subsequent periods							
Actuarial gain on retirement benefits	-	-	-	-	-	-	42,934
Net profit on equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	4,300
Tax on other comprehensive income	-	-	-	-	-	-	(12,880)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-	34,354
Total comprehensive income/ (loss) for the period, net of tax	1,450,008	(4,331,802)	(133)	(1,092,072)	(1,922,935)	(43)	(7,077,749)

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 31-12-2023	Un-audited as at 31-12-2022	Un-audited as at 31-03-2023
ASSETS			
Non-current assets			
Property, plant and equipment	67,482	88,845	83,444
Right of use assets	202,943	227,504	215,967
Investment property	1,057,150	939,705	1,057,150
Intangible assets	-	-	1,365
Investments in subsidiaries	33,673,976	28,234,288	28,234,289
Investments in associates	41,000	41,000	41,000
Other non current financial assets	1,562,784	1,617,270	1,562,784
	36,605,335	31,148,612	31,195,999
Current assets			
Inventories	281	2,144	281
Trade and other receivables	1,158,047	778,974	713,091
Amounts due from related parties	19,560,804	17,604,578	16,539,914
Other current assets	89,631	91,913	87,163
Short term investments	116,502	115,681	119,368
Cash in hand and at bank	13,228	1,571,863	1,564,616
	20,938,493	20,165,153	19,024,433
Total assets	57,543,828	51,313,765	50,220,432
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(3,360,325)	(2,060,086)	(4,810,333)
Other components of equity	(20,400)	(24,700)	(20,400)
Total equity	8,738,510	10,034,449	7,288,502
Non-current liabilities			
Interest bearing borrowings	6,374,539	6,572,471	4,832,557
Lease liabilities	173,584	190,348	184,975
Deferred tax liabilities	255,779	178,071	255,777
Employee benefit liabilities	125,791	149,523	127,678
	6,929,693	7,090,413	5,400,987
Current liabilities			
Trade and other payables	3,002,962	1,577,935	2,000,252
Amounts due to related parties	197,893	15,052	55,229
Other current financial liabilities	28,631,607	25,129,915	26,148,729
Current portion of interest bearing borrowings	9,225,608	7,180,858	8,856,901
Current portion of lease liabilities	44,541	42,967	38,356
Other current liabilities	560,326	45,762	195,270
Bank overdrafts	212,688	196,414	236,206
	41,875,625	34,188,903	37,530,943
Total equity and liabilities	57,543,828	51,313,765	50,220,432

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

-sgd-

Head of Finance

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

-sgd-

Chairman

-sgd-

Director

15 March 2024
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)	(4,810,333)	7,288,502
Profit for the period	-	-	1,450,008	1,450,008
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	1,450,008	1,450,008
As at 31 December 2023	12,119,235	(20,400)	(3,360,325)	8,738,510
As at 01 April 2022	12,119,235	(24,700)	2,271,716	14,366,251
Loss for the period	-	-	(4,331,802)	(4,331,802)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(4,331,802)	(4,331,802)
As at 31 December 2022	12,119,235	(24,700)	(2,060,086)	10,034,449

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 9 months to 31-12-2023	Un-audited 9 months to 31-12-2022	Un-audited 12 months to 31-03-2023
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Profit/ (loss) before tax	1,450,008	(4,331,802)	(7,037,276)
Adjustments for:			
Finance income	(2,337,074)	(2,939,255)	(3,750,675)
Dividend income	(25,924)	-	(17,767)
Finance cost	6,420,908	7,175,159	9,802,087
Change in fair value of investment property	-	-	(117,445)
Provisions for/ write-off of impaired receivables	-	-	997,600
Gratuity provision and related costs	10,834	10,136	32,180
Depreciation of property, plant and equipment	17,405	19,473	26,171
Amortisation right of use assets	36,859	38,154	50,718
Profit on sale of investments	(5,430,636)	-	-
Amortisation/ impairment of intangible assets	1,366	1,833	4,694
Profit/ (loss) before working capital changes	143,746	(26,302)	(9,713)
(Increase)/ decrease in inventories	-	(2,144)	(281)
(Increase)/ decrease in trade and other receivable	(444,957)	1,528,037	1,593,922
(Increase)/ decrease in other current assets	(2,468)	6,200	10,950
(Increase)/ decrease in amount due from related parties	(695,898)	(1,559,061)	(2,206,302)
Increase/ (decrease) in trade and other payables	1,002,581	1,389,799	1,812,113
Increase/ (decrease) in amount due to related parties	142,216	(34,120)	6,058
Increase/ (decrease) in other current liabilities	365,056	(17,250)	132,257
Cash from operations	510,276	1,285,159	1,339,004
Finance income received	14,948	1,704,817	3,737,076
Finance expenses paid	(2,052,079)	(6,476,133)	(8,801,524)
Dividend received	25,924	-	17,767
Tax paid	-	-	(10,001)
Gratuity paid	(12,273)	(1,168)	(2,033)
Net cash flow used in operating activities	(1,513,204)	(3,487,325)	(3,719,711)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(1,312)	(24,396)	(25,693)
Addition to intangible assets	-	-	(4,226)
Increase in interest in subsidiaries	(9,052)	32,771	(32,771)
(Purchase)/ disposal of other non current financial assets	-	357,637	-
(Purchase)/ disposal of short term investments (net)	-	679,075	683,375
Net cash flow from/ (used in) investing activities	(10,364)	1,045,087	620,685
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	1,730,400	4,070,900	4,405,627
Repayment of long term borrowings	(1,376,901)	(3,994,753)	(4,721,736)
Repayment of lease liabilities	(48,423)	(48,952)	(65,761)
Proceeds from/ (repayment of) short term borrowings (net)	(309,378)	2,455,249	3,474,063
Net cash flow from financing activities	(4,302)	2,482,444	3,092,193
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,527,870)	40,206	(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	(199,460)	1,375,449	1,328,410
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	13,228	1,571,863	1,564,616
Unfavourable balances			
Bank overdrafts	(212,688)	(196,414)	(236,206)
Cash and cash equivalents	(199,460)	1,375,449	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 nine months ended 31 December	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
	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	6,145,122	6,508,054	2,175,594	1,450,884	26,570,262	28,892,968	310,819	1,295,052	20,883,559	18,304,802	21,759,360	18,564,593	792,555	589,617	78,637,271	75,605,970	-	-	78,637,271	75,605,970
Inter group	(699,900)	(880,006)	(108,442)	(42,163)	(833,672)	(994,070)	(34,082)	(36,761)	(117,819)	(111,537)	(504,552)	(415,172)	(787,033)	(584,827)	(3,085,500)	(3,064,536)	-	-	(3,085,500)	(3,064,536)
Total external revenue	5,445,222	5,628,048	2,067,152	1,408,721	25,736,590	27,898,898	276,737	1,258,291	20,765,740	18,193,265	21,254,808	18,149,421	5,522	4,790	75,551,771	72,541,434	-	-	75,551,771	72,541,434
Operating profit/ (loss)	612,009	990,574	(338,768)	(602,000)	(940,816)	2,533,188	56,278	(121,264)	(632,956)	(1,024,114)	4,710,733	4,181,870	87,989	(87,197)	3,554,469	5,871,057	251,987	151,614	3,806,456	6,022,671
Finance income	150,374	136,836	6,562	36,607	1,164,935	1,427,163	175	1,787	6,425,502	5,889,461	1,353,320	1,738,598	2,374,598	2,939,255	11,475,466	12,169,707	(5,395,774)	(5,926,687)	6,079,692	6,243,020
Finance expenses	(312,715)	(817,331)	(1,381,745)	(1,923,549)	(7,737,416)	(11,766,477)	(320,599)	(381,436)	(2,123,226)	(1,753,542)	(2,971,472)	(3,725,408)	(6,414,710)	(7,168,135)	(21,261,883)	(27,535,878)	5,034,086	5,665,368	(16,227,797)	(21,870,510)
Share of profit/ (loss) of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	13,842	2,995	13,842	2,995	-	-	13,842	2,995
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(2,901,290)	(2,021,474)	-	-	-	-	(2,901,290)	(2,021,474)	-	-	(2,901,290)	(2,021,474)
Profit/ (loss) before taxation	449,668	310,079	(1,713,951)	(2,488,942)	(7,513,297)	(7,806,126)	(264,146)	(500,913)	768,030	1,090,331	3,092,581	2,195,060	(3,938,281)	(4,313,082)	(9,119,396)	(11,513,593)	(109,701)	(109,705)	(9,229,097)	(11,623,298)
Tax expense	(115,659)	(93,571)	-	-	(225,773)	(140,344)	-	-	(40,701)	(1,129,103)	(882,624)	(949,915)	(5,257)	(3,773)	(1,270,014)	(2,316,706)	(12,149)	-	(1,282,163)	(2,316,706)
Profit/ (loss) after taxation	334,009	216,508	(1,713,951)	(2,488,942)	(7,739,070)	(7,946,470)	(264,146)	(500,913)	727,329	(38,772)	2,209,957	1,245,145	(3,943,538)	(4,316,855)	(10,389,410)	(13,830,299)	(121,850)	(109,705)	(10,511,260)	(13,940,004)
Depreciation of property, plant & equipment (PPE)	23,072	23,091	400,662	412,937	1,048,173	1,042,571	19,017	18,700	120,985	129,467	1,299,002	1,179,981	17,608	19,720	2,928,519	2,826,467	-	-	2,928,519	2,826,467
Amortisation of ROU assets	5,901	18,498	-	-	948,115	1,136,416	10,209	10,330	284,388	244,230	123,446	111,197	21,300	21,516	1,393,359	1,542,187	-	-	1,393,359	1,542,187
Amortisation/ impairment of intangible assets	51,579	56,295	700	1,784	33,926	32,719	-	-	19,493	26,694	19,493	9	1,366	1,833	107,064	119,334	109,704	109,704	216,768	229,038
Retirement benefit obligations and related cost	21,176	19,064	9,426	11,037	50,500	52,325	1,418	1,370	70,736	56,807	134,709	111,568	11,470	10,643	299,435	262,814	-	-	299,435	262,814
Purchase and construction of PPE	21,056	17,944	26,890	42,453	360,032	2,080,658	-	17	163,622	96,012	845,082	1,242,479	1,443	24,396	1,418,125	3,483,959	-	-	1,418,125	3,483,959
Additions to intangible assets	13,456	7,997	-	835	9,350	3,442	-	-	7,798	1,800	-	-	-	-	30,604	14,074	-	-	30,604	14,074

REVENUE AND PROFIT In Rs. '000 For the three months ended 31 December	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
	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	2,282,530	1,959,101	871,475	667,432	10,059,507	9,619,199	102,084	136,040	7,786,852	6,756,850	7,492,602	6,804,860	277,466	209,185	28,872,516	26,152,667	-	-	28,872,516	26,152,667
Inter group	(415,538)	(260,235)	(29,493)	(14,571)	(346,331)	(219,261)	(9,835)	(9,273)	(40,150)	(38,721)	(177,327)	(159,653)	(275,363)	(207,549)	(1,294,037)	(909,263)	-	-	(1,294,037)	(909,263)
Total external revenue	1,866,992	1,698,866	841,982	652,861	9,713,176	9,399,938	92,249	126,767	7,746,702	6,718,129	7,315,275	6,645,207	2,103	1,636	27,578,479	25,243,404	-	-	27,578,479	25,243,404
Operating profit/ (loss)	301,503	339,673	28,910	(130,090)	21,912	(239,604)	18,901	(201,328)	572,308	(665,794)	1,666,062	1,831,736	39,481	(9,615)	2,649,077	924,978	325,235	242,284	2,974,312	1,167,262
Finance income	49,251	52,181	4,878	5,050	309,986	606,607	78	1,744	1,948,405	1,825,045	346,981	813,899	835,718	1,108,392	3,495,297	4,412,918	(1,684,829)	(2,489,056)	1,810,468	1,923,862
Finance expenses	(74,619)	(389,831)	(451,795)	(821,423)	(2,704,165)	(4,685,951)	(96,286)	(183,525)	(325,999)	(712,239)	(751,054)	(1,598,949)	(1,938,173)	(3,015,844)	(6,342,091)	(11,407,762)	1,323,780	2,388,251	(5,018,311)	(9,019,511)
Share of profit/ (loss) of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	-	7,699	(2,071)	7,699	(2,071)	-	-	7,699	(2,071)
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(1,457,537)	(254,429)	-	-	-	-	(1,457,537)	(254,429)	-	-	(1,457,537)	(254,429)
Profit/ (loss) before taxation	276,135	2,023	(418,007)	(946,463)	(2,372,267)	(4,318,948)	(77,307)	(383,109)	737,177	192,583	1,261,989	1,046,686	(1,055,275)	(1,919,138)	(1,647,555)	(6,326,366)	(35,814)	141,479	(1,683,369)	(6,184,887)
Tax expense	(29,286)	(7,341)	-	-	(118,910)	(5,540)	-	-	415,635	(547,994)	(274,775)	(540,876)	(5,262)	(1,406)	(12,598)	(1,103,157)	(8,323)	-	(20,921)	(1,103,157)
Profit/ (loss) after taxation	246,849	(5,318)	(418,007)	(946,463)	(2,491,177)	(4,324,488)	(77,307)	(383,109)	1,152,812	(355,411)	987,214	505,810	(1,060,537)	(1,920,544)	(1,660,153)	(7,429,523)	(44,137)	141,479	(1,704,290)	(7,288,044)
Depreciation of property, plant & equipment (PPE)	6,538	7,189	125,239	133,855	309,521	346,793	6,315	6,060	37,344	41,718	455,486	411,798	5,440	6,859	945,883	954,272	-	-	945,883	954,272
Amortisation of ROU assets	4,113	2,766	-	-	125,068	544,634	3,415	3,456	114,000	80,718	43,253	41,057	6,349	7,169	296,198	679,800	-	-	296,198	679,800
Amortisation/ impairment of intangible assets	12,219	18,734	(305)	(1,771)	8,847	10,920	-	-	11,695	8,907	-	2	1,366	265	33,822	37,057	36,568	36,568	70,390	73,625
Retirement benefit obligations and related cost	7,143	6,354	3,185	3,679	17,115	14,753	473	457	36,383	25,319	46,454	38,531	3,857	3,547	114,610	92,640	-	-	114,610	92,640
Purchase and construction of PPE	4,919	2,714	11,861	25,871	239,698	606,697	-	17	48,633	39,853	295,802	556,713	688	2,444	601,601	1,234,309	-	-	601,601	1,234,309
Additions to intangible assets	2,671	3,353	-	-	4,165	1,407	-	-	-	-	-	-	-	-	6,836	4,760	-	-	6,836	4,760

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 nine months ended 31 December 2023 were authorised for issue by the Board of Directors on 15 March 2024.

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 31 December 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 31 December 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 nine months ended 31 December 2023 - Rs. 2,285 Mn (2022 - Rs. 3,533 Mn) □

For the quarter ended 31 December 2023 - Rs. 1,235 Mn (2022 - Rs. 1,545 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 31 December 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 31 December 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 31 December 2023

Asset Category	ISIN No.	Face value	Market value as at 31 December 2023 Rs. '000
Government Securities			
Treasury Bonds	LKB00628A153	100,000,000	120,562
	LKB00628A153	110,000,000	132,618
	LKB00628A153	100,000,000	120,562
	LKB00628A153	100,000,000	120,562
	LKB00931E153	100,000,000	121,988
	LKB00931E153	100,000,000	121,988
	LKB00931E153	120,000,000	146,386
	LKB00931E153	100,000,000	121,988
	LKB00931E153	100,000,000	121,988
	LKB00931E153	100,000,000	121,988
Total market value of the assets			1,250,630

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	31-12-2023
Public shareholding (%)	13.09
Public shareholders	10,089
Float adjusted market capitalization (Rs. Mn.)	1,404.94
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	31-12-2023
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
	720,337,017

5.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 31-12-2023	%
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 Mr. N Samarasuriya	5,714,289	0.48
12 Mrs. A Selliah	4,700,000	0.39
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 Dr. S Selliah	2,053,232	0.17
20 Mr. G R Geha	2,015,372	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 31 December 2023	1,192,543,209

6.2 Value of shares

	Rs. '000
As at 01 April 2023	12,119,235
As at 31 December 2023	12,119,235

7. INVESTOR INFORMATION

7.1 Market value of shares

31-12-2023

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

Last traded price on (Rs.)	9.00
Highest price recorded for the three months ending (Rs.)	12.00
Lowest price recorded for the three months ending (Rs.)	8.00
Market Capitalisation (Rs. Mn.)	10,732.89

7.2 Ratios

Net assets per share at the period end (Rs.)	(37.22)
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7.3 Share trading information from 01 October 2023 to 31 December 2023

Number of shares traded	4,595,265
Value of shares traded (Rs. Mn.)	42.97

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 other than the following.

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 terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in year 2000.

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

The aforesaid matter is coming up for argument in July 2024.

9. CAPITAL COMMITMENTS

As at 31 December 2023, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 17,762.00 Mn (31 December 2022 - Rs. 11,955.00 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 other than the following.

The Board of Directors of Softlogic Holdings PLC has resolved on 7 March 2024 to raise up to Rs. 10.00 Bn by 31 of March 2025 by way of equity infusion as follows:

- to raise up to Rs. 2,981,358,020.00 by way of a Rights Issue
- to raise up to Rs. 1,878,255,550.50 by issuing warrants attached to the rights shares subscribed
- to raise remaining equity of up to Rs. 5,140,386,429.50 in a manner to be decided by the Board of Directors of the Company upon completion of aforesaid item step 1 and 2

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with related parties

In Rs. '000	Group		Company	
	09 months to 31-12-2023	09 months to 31-12-2022	09 months to 31-12-2023	09 months to 31-12-2022
Subsidiaries				
(Purchases)/ sales of goods	-	-	(15,536)	(5,007)
(Receiving)/ rendering of services	-	-	607,126	457,371
(Purchases)/ sale of property plant & equipment	-	-	(131)	(8,509)
Loans given/ (obtained)	-	-	(4,150,500)	(4,141,365)
Interest received/ (paid)	-	-	(664,690)	(115,356)
Rent received/ (paid)	-	-	103,791	84,675
Profit/ (loss) on disposal of investments	-	-	5,430,636	-
Guarantee charges received	-	-	224,477	207,629
Guarantees given/ (obtained) - as at 31 December	-	-	47,152,442	39,710,931
Associates				
(Purchases) / sale of property plant & equipment	1,075	20	-	-
(Receiving)/ rendering of services	5,527	6,095	5,081	4,373
Interest received/ (paid)	284	340	284	340
Key management personnel				
Advance given/ (received)	107,700	288,574	(1,992)	(1,992)
Guarantees given/ (received)	(150,000)	(150,000)	-	-
Loans given/ (customer deposits received)	-	(10,447)	-	-
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,

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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