



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs.	Un-audited 12 months to 31-03-2018	Restated 12 months to 31-03-2017	Change as a %	Unaudited 03 months to 31-03-2018	Unaudited 03 months to 31-03-2017	Change as a %
Continuing operations						
Revenue	66,018,915,135	58,859,240,581	12.16	16,595,115,091	14,046,851,553	18.14
Cost of sales	(42,385,174,361)	(39,377,706,757)	7.64	(10,592,586,329)	(8,956,614,170)	18.27
Gross profit	23,633,740,774	19,481,533,824	21.31	6,002,528,762	5,090,237,383	17.92
Other operating income	2,060,493,552	994,431,461	107.20	192,930,747	252,894,369	(23.71)
Distribution expenses	(3,114,739,030)	(3,039,151,173)	2.49	(607,894,936)	(775,561,635)	(21.62)
Administrative expenses	(13,960,788,874)	(12,322,681,362)	13.29	(4,164,328,283)	(3,758,298,381)	10.80
Results from operating activities	8,618,706,422	5,114,132,750	68.53	1,423,236,290	809,271,736	75.87
Finance income	1,103,804,824	897,391,473	23.00	224,336,648	321,175,416	(30.15)
Finance expenses	(5,954,056,842)	(4,809,538,225)	23.80	(1,582,823,319)	(1,492,624,530)	6.04
Net finance cost	(4,850,252,018)	(3,912,146,752)	23.98	(1,358,486,671)	(1,171,449,114)	15.97
Change in fair value of investment property	198,000,000	354,120,000	(44.09)	198,000,000	354,120,000	(44.09)
Share of profit of equity accounted investees	19,540,207	9,997,782	95.45	4,216,982	(9,623,953)	(143.82)
Change in insurance contract liabilities	(1,374,027,509)	(82,439,974)	1,566.70	(45,612,595)	13,048,765	(449.55)
Change in contract liability due to transfer of one-off surplus	798,004,000	-	-	798,004,000	-	-
Profit before tax	3,409,971,102	1,483,663,806	129.83	1,019,358,006	(4,632,566)	(22,104.18)
Tax expense	(847,605,857)	(806,061,440)	5.15	(375,772,109)	(313,891,025)	19.71
Profit for the period from continuing operations	2,562,365,245	677,602,366	278.15	643,585,897	(318,523,591)	(302.05)
Profit for the period from discontinued operation	-	145,317,367	(100.00)	-	2,197	(100.00)
Profit for the period	2,562,365,245	822,919,733	211.37	643,585,897	(318,521,394)	(302.05)
Attributable to:						
Equity holders of the parent	321,286,220	22,148,248	1,350.62	14,422,314	(324,918,917)	(104.44)
Non-controlling interest	2,241,079,025	800,771,485	179.86	629,163,583	6,397,523	9,734.49
	2,562,365,245	822,919,733	211.37	643,585,897	(318,521,394)	(302.05)
Earnings per share - Basic (Rs.)	0.41	0.03	1,345.49	0.02	(0.42)	(104.42)
Dividend per share - Rs.	0.65	0.50	30.00	-	-	-

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.	Un-audited 12 months to 31-03-2018	Restated 12 months to 31-03-2017	Change as a %	Unaudited 03 months to 31-03-2018	Unaudited 03 months to 31-03-2017	Change as a %
Profit for the period	2,562,365,245	822,919,733	211.37	643,585,897	(318,521,394)	(302.05)
Other comprehensive income						
Continuing operations						
Other comprehensive income to be reclassified to income statement in subsequent periods						
Currency translation of foreign operations	(3,826,843)	(4,948,205)	(22.66)	393,989	(6,277,661)	(106.28)
Net change in fair value on derivative financial instruments	(34,266,424)	(38,096,017)	(10.05)	(37,336,237)	(10,043,546)	271.74
Net (loss) / gain on available-for-sale financial assets	463,170,666	(371,744,345)	224.59	(59,705,651)	(178,526,546)	66.56
Available-for-sale financial assets reclassified to income statement	17,640,913	(20,364,400)	186.63	10,791,242	(2,684,899)	501.92
Net other comprehensive income to be reclassified to income statement in subsequent periods	442,718,312	(435,152,967)	201.74	(85,856,657)	(197,532,652)	56.54
Other comprehensive income not to be reclassified to income statement in subsequent periods						
Revaluation of land and buildings	2,554,505,858	1,322,816,775	(93.11)	2,530,972,635	1,322,816,775	(91.33)
Re-measurement gain/ (loss) on employee benefit liabilities	(74,193,910)	(50,033,638)	(48.29)	(76,644,524)	(36,729,313)	(108.67)
Share of other comprehensive income of equity accounted investments (net of tax)	(79,865)	289,308	127.61	(79,865)	289,308	127.61
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	(2,378,483,976)	(38,366,048)	(6,099.45)	(2,378,483,976)	(38,366,048)	(6,099.45)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	101,748,107	1,234,706,397	(91.76)	75,764,270	1,248,010,722	(93.93)
Other comprehensive income from continuing operations for the period, net of tax	544,466,419	799,553,430	(31.90)	(10,092,387)	1,050,478,070	(100.96)
Other comprehensive income from discontinued operations for the period, net of tax	-	72,882,792	(100.00)	-	72,882,792	(100.00)
Total comprehensive income for the period, net of tax	3,106,831,664	1,695,355,955	83.26	633,493,510	804,839,468	(21.29)
Attributable to:						
Equity holders of the parent	563,240,666	685,967,020	(17.89)	41,458,456	514,971,834	91.95
Non-controlling interest	2,543,590,998	1,009,388,935	151.99	592,035,054	289,867,634	104.24
	3,106,831,664	1,695,355,955	83.26	633,493,510	804,839,468	(21.29)

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.	Un-audited as at 31-03-2018	Restated as at 31-03-2017	Restated as at 01-04-2016
ASSETS			
Non-current assets			
Property, plant and equipment	41,942,385,059	36,350,857,044	30,760,141,516
Lease rentals paid in advance	805,600,706	852,722,039	853,758,972
Investment property	1,238,300,000	1,037,000,000	682,880,000
Intangible assets	8,607,427,824	8,569,237,398	8,701,078,597
Investments in equity accounted investments	111,638,743	68,528,412	60,241,336
Non-current financial assets	10,517,045,055	10,129,306,863	11,385,372,887
Rental receivable on lease assets and hire purchase	1,044,972,612	359,972,088	481,364,790
Other non-current assets	324,008,135	236,545,947	385,626,456
Deferred tax assets	682,400,692	508,967,693	245,373,503
	65,273,778,826	58,113,137,484	53,555,838,057
Current assets			
Inventories	11,192,698,121	8,979,963,034	8,712,392,801
Trade and other receivables	9,968,650,279	8,343,935,325	8,138,646,003
Loans and advances	13,098,641,324	14,665,989,811	10,802,560,550
Rental receivable on lease assets and hire purchase	525,260,090	589,344,587	955,776,864
Amounts due from related parties	806,976	333,424	807,734
Other current assets	5,183,098,679	3,535,294,136	3,519,866,875
Short term investments	7,120,608,462	3,796,255,673	4,508,634,254
Cash in hand and at bank	6,093,246,193	2,794,607,770	2,958,753,845
	53,183,010,124	42,705,723,760	39,597,438,926
Total assets	118,456,788,950	100,818,861,244	93,153,276,983
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	8,195,382,715	5,089,000,000	5,089,000,000
Revenue reserves	(561,631,999)	14,413,526	471,343,957
Other components of equity	3,853,955,835	3,348,172,490	2,600,642,442
	11,487,706,551	8,451,586,016	8,160,986,399
Non-controlling interests	9,325,642,162	7,075,208,785	7,372,103,168
Total equity	20,813,348,713	15,526,794,801	15,533,089,567
Non-current liabilities			
Insurance contract liabilities	7,192,590,570	6,616,558,062	6,534,118,177
Interest bearing borrowings	25,730,151,494	29,655,413,767	21,231,336,127
Public deposits	3,237,633,259	1,986,055,112	1,521,942,995
Deferred tax liabilities	2,666,558,910	459,095,813	273,609,366
Employee benefit liabilities	1,013,589,229	801,930,111	688,105,084
Other deferred liabilities	127,635,449	153,158,615	1,609,638
Other non-current financial liabilities	122,501,848	28,848,995	28,732,581
	40,090,660,759	39,701,060,475	30,279,453,968
Current liabilities			
Trade and other payables	7,170,869,039	6,953,744,115	7,851,450,260
Amounts due to related parties	7,565,946	17,565,485	47,339,959
Income tax liabilities	455,050,913	535,787,337	568,385,691
Other current financial liabilities	23,057,505,143	12,056,238,155	14,875,266,676
Current portion of interest bearing borrowings	7,793,820,472	6,328,018,316	7,237,385,786
Other current liabilities	1,467,326,244	1,435,065,968	1,155,142,814
Public deposits	13,063,837,739	14,049,442,438	12,469,899,392
Bank overdrafts	4,536,803,982	4,215,144,154	3,135,862,870
	57,552,779,478	45,591,005,968	47,340,733,448
Total equity and liabilities	118,456,788,950	100,818,861,244	93,153,276,983

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

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

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Group Chief Financial Officer

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

-sgd-

Chairman

-sgd-

Director

31 May 2018
Colombo

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to equity holders of parent											Non-controlling interest	Total equity
	Stated capital	Treasury shares	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Available-for-sale reserve	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve	Total		
As at 01 April 2017 - restated	5,089,000,000	(55,921,185)	-	4,628,655,031	(43,262,584)	(718,502,230)	173,165,838	(491,235,138)	(144,727,242)	14,413,526	8,451,586,016	7,075,208,785	15,526,794,801
Profit for the period	-	-	-	-	-	-	-	-	-	321,286,220	321,286,220	2,241,079,025	2,562,365,245
Other comprehensive income	-	-	-	146,174,324	(3,826,843)	187,615,484	-	-	(34,239,198)	(53,769,321)	241,954,446	302,511,973	544,466,419
Total Comprehensive income	-	-	-	146,174,324	(3,826,843)	187,615,484	-	-	(34,239,198)	267,516,899	563,240,666	2,543,590,998	3,106,831,664
Transfer to reserve fund	-	-	-	-	-	-	43,753,133	-	-	(43,753,133)	-	-	-
Transfer of one-off surplus	-	-	309,612,809	-	-	-	-	-	-	(309,612,809)	-	-	-
Acquisitions and disposals of treasury shares	-	55,921,185	-	-	-	-	-	-	-	13,168,912	69,090,097	20,772,983	89,863,080
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	(199,227,549)	-	-	(199,227,549)	301,716,274	102,488,725
Issue of shares	3,106,382,715	-	-	-	-	-	-	-	-	-	3,106,382,715	-	3,106,382,715
Dividend paid	-	-	-	-	-	-	-	-	-	(503,365,394)	(503,365,394)	-	(503,365,394)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(615,646,878)	(615,646,878)
As at 31 March 2018	8,195,382,715	-	309,612,809	4,774,829,355	(47,089,427)	(530,886,746)	216,918,971	(690,462,687)	(178,966,440)	(561,631,999)	11,487,706,551	9,325,642,162	20,813,348,713
As at 01 April 2016	5,089,000,000	(55,921,185)	-	3,754,705,394	(38,314,379)	(575,351,439)	190,324,200	(502,065,112)	(106,709,772)	1,034,232,119	8,789,899,826	7,543,661,483	16,333,561,309
Prior year adjustment	-	-	-	-	-	-	(66,025,265)	-	-	(562,888,162)	(628,913,427)	(171,558,315)	(800,471,742)
As at 01 April 2016 -restated	5,089,000,000	(55,921,185)	-	3,754,705,394	(38,314,379)	(575,351,439)	124,298,935	(502,065,112)	(106,709,772)	471,343,957	8,160,986,399	7,372,103,168	15,533,089,567
Profit for the period	-	-	-	-	-	-	-	-	-	22,148,248	22,148,248	800,771,485	822,919,733
Other Comprehensive income	-	-	-	875,605,988	(4,948,205)	(175,214,080)	-	-	(38,017,470)	(25,670,750)	631,755,483	167,797,947	799,553,430
Other comprehensive income from discontinued operations	-	-	-	-	-	32,063,289	-	-	-	-	32,063,289	40,819,503	72,882,792
Total Comprehensive income	-	-	-	875,605,988	(4,948,205)	(143,150,791)	-	-	(38,017,470)	(3,522,502)	685,967,020	1,009,388,935	1,695,355,955
Transfer to reserve fund	-	-	-	-	-	-	48,866,903	-	-	(48,866,903)	-	-	-
Direct cost on issue of shares	-	-	-	-	-	-	-	-	-	(18,993,226)	(18,993,226)	(21,724,921)	(40,718,147)
Deferred tax reversal on depreciation impact of revaluation	-	-	-	(1,656,351)	-	-	-	-	-	1,656,351	-	-	-
Acquisitions, disposals and changes in non-controlling interest	-	-	-	-	-	-	-	10,829,974	-	-	10,829,974	(258,970,840)	(248,140,866)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-	-	212,736,126	212,736,126
Dividend paid	-	-	-	-	-	-	-	-	-	(387,204,151)	(387,204,151)	-	(387,204,151)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(1,238,323,683)	(1,238,323,683)
As at 31 March 2017 - restated	5,089,000,000	(55,921,185)	-	4,628,655,031	(43,262,584)	(718,502,230)	173,165,838	(491,235,138)	(144,727,242)	14,413,526	8,451,586,016	7,075,208,785	15,526,794,801

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

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Un-audited 12 months to 31-03-2018	Restated 12 months to 31-03-2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	3,409,971,102	1,483,663,806
Loss before tax from discontinued operation	-	(109,594,288)
	3,409,971,102	1,374,069,518
Adjustments for:		
Finance income	(1,103,804,509)	(897,391,473)
Finance cost	5,954,056,842	4,809,538,225
Change in fair value of investment property	(198,000,000)	(354,120,000)
Share of results of equity accounted investees	(19,540,207)	(9,997,782)
Gratuity provision and related cost	207,225,142	170,672,527
Provisions for/ write-off of impaired receivables	242,629,802	343,541,577
Provision for write-off of inventories	113,739,828	293,705,033
Provisions for/ write-off of loans and advances	2,542,970	295,501,773
Provisions for/ write-off of investments in lease and hire purchase	3,548,928	119,817,749
Depreciation of property, plant and equipment	2,275,312,330	1,711,637,099
Profit on sale of property, plant and equipment	(30,968,110)	(19,155,280)
Profit on sale of investments	(473,320,574)	(40,016,280)
Unrealised (profit)/ loss on foreign exchange	(19,271,304)	25,237,048
Amortisation/ impairment of intangible assets	361,012,295	348,649,812
Amortisation of prepaid lease rentals	1,116,193	1,036,933
Increase/ (decrease) in deferred income	(7,482,729)	210,857,225
Impairment & derecognition of property, plant & equipment	17,554,545	17,441,797
Profit before working capital changes	10,736,322,544	8,401,025,501
(Increase) / decrease in inventories	(2,202,819,651)	(558,242,986)
(Increase) / decrease in trade and other receivables	(1,873,663,838)	(1,047,862,418)
(Increase) / decrease in loans and advances	1,240,219,457	(2,847,952,290)
(Increase) / decrease in investments in lease and hire purchase	(745,840,967)	368,007,230
(Increase) / decrease in other current assets	(1,660,466,702)	137,717,128
(Increase) / decrease in amounts due from related parties	(473,552)	474,310
Increase / (decrease) in trade and other payables	217,124,924	482,958,568
Increase / (decrease) in amounts due to related parties	(9,999,539)	(29,774,474)
Increase / (decrease) in other current liabilities	(2,147,755)	416,807,717
Increase / (decrease) in public deposits	265,973,761	2,043,655,163
Increase / (decrease) in insurance contract liabilities	576,032,508	82,439,974
Cash generated from operations	6,540,261,190	7,449,253,423
Finance income received	947,842,992	809,710,656
Finance expenses paid	(5,962,182,607)	(4,752,244,036)
Dividend received	3,015,010	1,800,014
Tax paid	(1,222,241,260)	(1,088,653,474)
Gratuity paid	(87,900,798)	(88,753,665)
Net cash flow from operating activities	218,794,527	2,331,112,918
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Purchase and construction of property, plant and equipment	(5,127,373,610)	(6,010,132,128)
Addition to investment property	(3,300,000)	-
Addition to intangible assets	(256,522,766)	(221,672,346)
(Increase)/ decrease in other non-current assets	(87,462,188)	564,222
(Purchase) / disposal of short term investments (net)	(1,199,733,745)	(1,601,965,821)
Dividends received	126,723,223	99,942,789
(Purchase) / disposal of non-current financial assets	816,395,190	(387,387,490)
Acquisition of subsidiaries (A)	(214,083,166)	-
Disposal of business, net of cash disposed	-	1,313,733,268
Proceeds from disposal of controlling interest	582,336,050	-
Proceeds from sale of property, plant and equipment	106,809,056	154,864,022
Net cash flow used in investing activities	(5,256,211,956)	(6,652,053,484)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of equity shares	3,106,382,715	-
Dividend paid to non-controlling interest	(615,646,878)	(959,115,494)
Proceeds from long term borrowings	4,828,177,145	15,661,103,460
(Increase) / decrease of controlling interest	(512,891,440)	(247,887,644)
(Increase) / decrease in other non-current financial liabilities	84,329,453	116,414
Repayment of long term borrowings	(7,023,444,577)	(8,551,815,195)
Proceeds from / (repayment of) other current financial liabilities (net)	10,746,305,305	(2,819,028,521)
Direct cost on issue of shares/ share repurchase	-	(40,718,147)
Dividend paid to equity holders of parent	(503,365,394)	(387,204,151)
Net cash flow from financing activities	10,109,846,329	2,655,450,722
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	5,072,428,900	(1,665,489,844)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	866,427,549	2,531,997,653
Effect of exchange rate changes	(69,554)	(80,260)
CASH AND CASH EQUIVALENTS AT THE END	5,938,786,895	866,427,549
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Favourable balances		
Cash in hand and at Bank	6,093,246,193	2,794,607,770
Short term investments	4,382,344,684	2,286,963,933
Unfavourable balances		
Bank overdrafts	(4,536,803,982)	(4,215,144,154)
Cash and cash equivalents	5,938,786,895	866,427,549

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

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

(A) Acquisition of subsidiaries

In July 2017, Softlogic Retail (Pvt) Ltd, a subsidiary of Softlogic Holdings PLC acquired 67% ordinary shares of Suzuki Motors Lanka Ltd at a price of Rs. 43.40 per share.

The acquisition had the following effect on the Group's assets and liabilities.

In Rs.	Unaudited 12 months to 31-03-2018
Property, plant & equipment	106,629,052
Lease rentals paid in advance	3,883,702
Non-current financial assets	27,655,432
Inventories	123,655,264
Trade and other receivables	89,481,942
Other financial assets	30,551,239
Cash in hand and at bank	19,479,904
Retirement benefit liability	(5,803,262)
Other non-current financial liabilities	(9,313,400)
Interest bearing borrowings	(10,974,666)
Other current financial liabilities	(254,265,268)
Other current liabilities	(17,760,667)
Bank overdrafts	(68,562,370)
Net identifiable assets	34,656,902
Non controlling interest holding	18,267
Goodwill recognised on acquisition	141,931,676
	176,606,845
Investment by Non controlling interest	(11,606,145)
	165,000,700
Total purchase price paid	
Cash consideration	165,000,700
Cash at bank and in hand acquired	49,082,466
	214,083,166

The assets and liabilities as at the acquisition date are stated at their provisional fair values and may be amended.

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Un-audited 12 months to 31-03-2018	Audited 12 months to 31-03-2017	Change as a %	Unaudited 03 months to 31-03-2018	Unaudited 03 months to 31-03-2017	Change as a %
Revenue	649,823,110	628,427,166	3.40	161,096,667	158,743,735	1.48
Cost of sales	(216,632,636)	(200,180,876)	8.22	(57,033,399)	(51,615,655)	10.50
Gross profit	433,190,474	428,246,290	1.15	104,063,268	107,128,080	(2.86)
Dividend income	893,012,929	1,343,212,899	(33.52)	697,947,464	968,669,512	(27.95)
Other operating income	4,634,942,408	1,137,299,866	307.54	4,599,291,922	25,840,157	17,699.01
Administrative expenses	(523,052,854)	(898,733,172)	(41.80)	(199,589,474)	(476,906,823)	(58.15)
Results from operating activities	5,438,092,957	2,010,025,883	170.55	5,201,713,180	624,730,926	732.63
Finance income	1,122,857,111	1,045,636,385	7.39	329,542,820	339,087,137	(2.81)
Finance expenses	(2,695,997,788)	(2,039,862,417)	32.17	(752,309,468)	(566,853,912)	32.72
Net finance cost	(1,573,140,677)	(994,226,032)	58.23	(422,766,648)	(227,766,775)	85.61
Change in fair value of investment property	92,475,000	62,176,317	-	92,475,000	62,176,317	-
Profit/ (loss) before tax	3,957,427,280	1,077,976,168	267.12	4,871,421,532	459,140,468	960.99
Tax expense	(258,756,941)	(52,560,266)	392.31	(154,523,483)	(5,060,266)	2,953.66
Profit/ (loss) for the period	3,698,670,339	1,025,415,902	260.70	4,716,898,049	454,080,202	938.78

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

STATEMENT OF COMPREHENSIVE INCOME

In Rs.	Un-audited 12 months to 31-03-2018	Audited 12 months to 31-03-2017	Change as a %	Unaudited 03 months to 31-03-2018	Unaudited 03 months to 31-03-2017	Change as a %
Profit/ (loss) for the period	3,698,670,339	1,025,415,902	260.70	4,716,898,049	454,080,202	938.78
Other comprehensive income						
Other comprehensive income not to be reclassified to income statement in subsequent periods						
Actuarial gains/ (loss) on retirement benefits	(10,218,876)	(1,337,860)	663.82	(10,218,876)	(1,337,860)	663.82
Net other comprehensive income not to be reclassified to income statement in subsequent periods	(10,218,876)	(1,337,860)	663.82	(10,218,876)	(1,337,860)	663.82
Tax on other comprehensive income	2,861,285	374,600	663.82	2,861,285	374,600	663.82
Other comprehensive income for the period, net of tax	(7,357,591)	(963,260)	663.82	(7,357,591)	(963,260)	663.82
Total comprehensive income for the period, net of tax	3,691,312,748	1,024,452,642	260.32	4,709,540,458	453,116,942	939.37

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

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs.	Unaudited as at 31-03-2018	Audited as at 31-03-2017
ASSETS		
Non-current assets		
Property, plant and equipment	208,458,881	201,286,750
Investment property	704,000,000	609,385,000
Intangible assets	592,556	1,040,254
Investments in subsidiaries	19,825,012,446	13,598,298,652
Investments in associates	11,000,000	11,000,000
Other non current financial assets	828,355,547	1,490,000,000
	21,577,419,430	15,911,010,656
Current assets		
Trade and other receivables	362,929,994	453,324,075
Amounts due from related parties	8,620,067,527	5,675,892,404
Other current assets	16,709,570	16,829,848
Short term investments	1,719,676,025	1,665,030,219
Cash in hand and at bank	2,916,159,672	92,204,224
	13,635,542,788	7,903,280,770
Total assets	35,212,962,218	23,814,291,426
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Stated capital	8,195,382,715	5,089,000,000
Revenue reserves	5,193,137,762	2,008,175,014
Total equity	13,388,520,477	7,097,175,014
Non-current liabilities		
Interest bearing borrowings	7,453,906,513	8,509,979,172
Deferred tax liabilities	157,915,532	23,696,010
Employee benefit liabilities	68,251,581	49,130,021
Other deferred liabilities	111,711,712	147,747,752
Other non current financial liabilities	186,200,000	186,200,000
	7,977,985,338	8,916,752,955
Current liabilities		
Trade and other payables	44,414,615	24,132,882
Amounts due to related parties	17,877,411	68,063,660
Income tax liabilities	33,308,757	56,554,781
Other current financial liabilities	10,526,355,470	4,447,997,514
Current portion of interest bearing borrowings	2,984,530,909	2,580,018,501
Other current liabilities	86,221,358	73,349,280
Bank overdrafts	153,747,883	550,246,839
	13,846,456,403	7,800,363,457
Total equity and liabilities	35,212,962,218	23,814,291,426

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

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

-sgd-

Group Chief Financial Officer

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

-sgd-

Chairman

-sgd-

Director

31 May 2018
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs.	Stated capital	Revenue reserve	Total
As at 01 April 2017	5,089,000,000	2,008,175,014	7,097,175,014
Profit for the period	-	3,698,670,339	3,698,670,339
Other comprehensive income	-	(7,357,591)	(7,357,591)
Total comprehensive income	-	3,691,312,748	3,691,312,748
Issue of shares	3,106,382,715	-	3,106,382,715
Dividend paid	-	(506,350,000)	(506,350,000)
As at 31 March 2018	8,195,382,715	5,193,137,762	13,388,520,477
As at 01 April 2016	5,089,000,000	1,373,222,372	6,462,222,372
Profit for the period	-	1,025,415,902	1,025,415,902
Other comprehensive income	-	(963,260)	(963,260)
Total comprehensive income	-	1,024,452,642	1,024,452,642
Dividend paid	-	(389,500,000)	(389,500,000)
As at 31 March 2017	5,089,000,000	2,008,175,014	7,097,175,014

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.	Unaudited 09 months to 31-12-2017	Audited 12 months to 31-03-2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,957,427,280	1,077,976,168
Adjustments for:		
Finance income	(1,122,857,111)	(1,045,636,385)
Dividend income	(893,012,929)	(1,343,212,899)
Finance cost	2,695,997,788	2,039,862,417
Change in fair value of investment property	(92,475,000)	(62,176,317)
Gratuity provision and related costs	13,221,996	10,075,034
Provisions for/ write-off of impaired receivables	64,000,000	506,296,744
Provisions for/ write off of impaired investments	24,900,000	-
Depreciation of property, plant and equipment	36,039,863	28,898,601
Profit on sale of property, plant and equipment	(10,099,450)	(4,577,585)
Profit on sale of investments	(4,588,114,496)	(1,112,455,617)
Amortisation/ impairment of intangible assets	5,738,213	3,716,100
Increase /(decrease) in value of short term investments	(55,853,765)	-
Increase / (decrease) in deferred income	(36,036,036)	(18,018,014)
Profit before working capital changes	(1,123,647)	80,748,247
(Increase) / decrease in trade and other receivable	90,394,080	(279,253,210)
(Increase) / decrease in other current assets	120,276	13,305,725
(Increase) / decrease in amount due from related parties	(3,495,009,136)	(866,777,748)
Increase / (decrease) in trade and other payables	20,281,734	(7,228,890)
Increase / (decrease) in amount due to related parties	(50,186,248)	(202,742,045)
Increase / (decrease) in other current liabilities	12,872,081	194,166,463
Cash generated used in operations	(3,422,650,860)	(1,067,781,458)
Finance income received	1,122,857,111	843,469,413
Finance expenses paid	(2,689,213,113)	(1,992,112,198)
Dividend received	893,012,929	1,343,212,899
Tax paid	(136,583,523)	(16,133,737)
Gratuity paid	(4,319,312)	(5,550,554)
Net cash flow used in operating activities	(4,236,896,768)	(894,895,635)
CASH FLOWS FROM /(USED IN) INVESTING ACTIVITIES		
Purchase and construction of property, plant and equipment	(49,383,995)	(51,195,814)
Addition to investment property	(2,140,000)	(708,683)
Addition to intangible assets	(2,376,738)	(2,245,531)
(Purchase) / disposal of short term investments (net)	1,207,960	(2,500,000)
(Purchase) / disposal of other non current financial assets	(341,521,535)	(1,021,042,975)
Proceeds from disposal of controlling interest	-	1,173,296,412
Increase in interest in subsidiaries	(179,381,357)	(1,650,322,600)
Proceeds from sale of property, plant and equipment	16,241,209	17,308,425
Net cash flow used in investing activities	(557,354,456)	(1,537,410,766)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from issue of shares	3,106,382,717	-
Proceeds from long term borrowings	1,866,929,899	6,932,770,102
Repayment of long term borrowings	(2,530,614,944)	(2,825,300,622)
Proceeds from / (repayment of) short term borrowings (net)	6,078,357,956	(2,279,196,189)
Increase/ (decrease) in other non current financial liabilities	-	21,200,000
Dividend paid to equity holders of parent	(506,350,000)	(389,500,000)
Net cash flow from financing activities	8,014,705,628	1,459,973,291
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	3,220,454,404	(972,333,110)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	(458,042,615)	514,290,495
CASH AND CASH EQUIVALENTS AT THE END	2,762,411,789	(458,042,615)
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Favourable balances		
Cash in hand and at bank	2,916,159,672	92,204,224
Unfavourable balances		
Bank overdrafts	(153,747,883)	(550,246,839)
Cash and cash equivalents	2,762,411,789	(458,042,615)

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 For the year ended 31 March	Information Technology		Leisure & Property		Retail		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Continuing operations																
Revenue																
Total revenue	18,440,814,175	18,569,379,576	2,718,659,789	1,345,293,736	22,130,826,421	20,438,725,285	2,488,046,098	1,640,445,885	11,068,797,490	8,781,788,710	12,412,747,093	10,759,284,015	677,334,914	652,470,450	69,937,225,980	62,187,387,657
Inter group	(1,549,041,013)	(1,030,029,480)	(133,237,095)	(132,110,560)	(1,113,260,499)	(890,816,622)	(67,240,505)	(232,985,368)	(7,884,837)	(13,989,710)	(387,569,243)	(389,689,990)	(666,077,662)	(641,525,346)	(3,916,310,845)	(3,328,147,076)
Total external revenue	16,891,773,162	17,539,350,096	2,585,422,694	1,213,183,176	21,017,565,921	19,547,908,663	2,420,805,593	1,407,460,517	11,060,912,653	8,767,799,000	12,025,177,850	10,370,594,025	11,257,252	10,945,104	66,019,916,136	58,859,240,581
Operating profit/ (loss)	976,176,223	689,630,715	(141,946,730)	(142,875,405)	2,460,881,895	2,064,537,861	698,004	(82,758,413)	2,075,427,584	673,553,572	3,425,945,272	2,141,097,370	(178,475,764)	(229,052,950)	8,616,706,422	5,114,132,750
Finance income	12,260,876	35,973,647	18,498,867	18,434,481	62,946,174	82,540,036	2,462,843	105,134	912,225,340	706,896,899	85,020,314	40,450,402	10,390,410	12,990,874	1,103,804,824	897,391,473
Finance cost	(254,080,623)	(349,390,218)	(548,155,293)	(279,273,130)	(2,187,024,107)	(1,767,492,128)	(187,968,369)	(158,724,094)	(265,300,750)	(217,716,035)	(869,483,150)	(824,486,154)	(1,641,994,550)	(1,212,454,466)	(5,954,056,842)	(4,809,538,225)
Change in fair value of investment property	-	-	-	-	198,000,000	354,120,000	-	-	-	-	-	-	-	-	198,000,000	354,120,000
Share of results of equity accounted investments	-	-	-	-	-	-	-	-	-	-	(6,540,548)	(11,055,884)	26,080,755	21,053,666	19,540,207	9,997,782
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(1,374,027,509)	(82,439,974)	-	-	-	-	(1,374,027,509)	(82,439,974)
Change in contract liability due to transfer of one-off surplus	-	-	-	-	-	-	-	-	798,004,000	-	-	-	-	-	798,004,000	-
Profit/ (loss) before taxation	734,356,476	376,214,144	(671,603,156)	(403,714,054)	534,803,962	733,705,769	(184,807,522)	(241,377,373)	2,146,278,665	1,080,292,462	2,634,941,816	1,346,005,734	(1,783,999,139)	(1,407,462,876)	3,409,971,102	1,483,663,806
Tax expense	(208,196,076)	(117,325,707)	(67,562,888)	114,712,594	(170,766,198)	(409,811,414)	21,029,686	(2,348,450)	424,082,960	(108,211,529)	(701,424,320)	(168,732,513)	(144,779,021)	(114,344,421)	(847,605,857)	(806,061,440)
Profit/ (loss) from continuing operations	526,170,400	258,888,437	(739,166,044)	(289,001,460)	364,037,764	323,894,355	(163,777,836)	(243,725,823)	2,570,361,625	972,080,933	1,933,517,496	1,177,273,221	(1,928,778,160)	(1,521,807,297)	2,562,365,245	677,602,366
Profit for the period from discontinued operation	-	-	-	-	-	-	-	-	-	145,317,367	-	-	-	-	-	145,317,367
Profit/ (loss) after taxation	526,170,400	258,888,437	(739,166,044)	(289,001,460)	364,037,764	323,894,355	(163,777,836)	(243,725,823)	2,570,361,625	1,117,398,300	1,933,517,496	1,177,273,221	(1,928,778,160)	(1,521,807,297)	2,562,365,245	822,919,733
Depreciation of property, plant & equipment (PPE)	83,247,338	75,458,614	589,422,813	234,646,895	476,275,039	385,735,102	42,373,236	39,380,499	174,535,624	158,860,710	872,140,096	783,322,747	37,318,184	34,232,532	2,275,312,330	1,711,637,099
Amortisation of lease rentals paid in advance	-	-	-	-	79,260	79,260	-	-	50,925,776	1,036,933	50,925,776	1,036,933	-	-	51,006,936	1,036,933
Amortisation of intangible assets	28,485,308	44,415,320	20,680,534	15,399,250	74,959,648	60,933,475	-	-	228,538,472	215,368,613	8,521,877	6,521,877	2,824,436	3,716,100	361,012,295	345,354,635
Retirement benefit obligations and related cost	30,041,283	22,387,120	10,006,394	3,520,235	33,547,234	25,724,893	3,639,405	1,429,409	30,726,142	27,127,801	85,913,502	80,844,508	13,451,182	9,638,561	207,225,142	170,672,527
Purchase and construction of PPE	51,016,972	54,112,957	978,415,714	2,991,717,045	1,235,059,300	838,695,908	10,064,874	13,778,874	231,149,370	136,636,852	2,619,808,684	2,172,117,507	51,746,136	104,238,209	51,727,245	6,311,295,352
Additions to intangible assets	98,381,243	91,664,686	17,421,356	15,993,779	138,152,385	39,197,547	-	-	191,044	72,570,802	-	-	2,376,738	2,245,532	256,522,766	221,672,346

REVENUE AND PROFIT For the three months period ended 31 March	Information Technology		Leisure & Property		Retail		Automobiles		Financial Services		Healthcare Services		Others		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Continuing operations																
Revenue																
Total revenue	4,390,972,161	4,320,063,294	887,385,074	572,758,674	5,559,294,714	4,660,435,517	502,942,106	410,986,068	3,018,927,761	2,204,435,717	3,128,854,375	2,868,642,107	167,916,722	164,695,523	17,656,292,913	15,202,016,900
Inter group	(499,872,062)	(365,292,838)	(40,879,430)	(29,692,352)	(253,263,513)	(257,432,703)	(15,434,583)	(138,734,804)	(2,796,991)	(2,118,200)	(89,374,049)	(99,895,199)	(164,871,168)	(162,139,171)	(1,061,177,822)	(1,155,165,347)
Total external revenue	3,891,100,099	3,954,810,456	846,505,644	543,156,322	5,306,031,201	4,403,002,814	487,517,523	272,251,264	3,021,724,752	2,202,317,427	3,039,480,327	2,768,746,908	2,945,554	2,586,352	16,595,115,091	14,046,851,553
Operating profit/ (loss)	339,559,605	111,961,691	(116,057,457)	(99,615,425)	226,526,384	320,387,565	(21,831,356)	(51,810,542)	417,262,917	109,855,345	638,406,379	586,932,966	(60,630,182)	(168,439,864)	1,423,236,290	809,271,736
Finance income	1,464,159	8,085,381	16,351,029	13,679,155	3,510,994	25,957,861	1,829,555	37,172	140,300,676	246,349,530	51,928,868	26,439,680	8,951,367	626,637	224,336,648	321,175,416
Finance cost	(65,616,899)	(75,417,376)	(169,850,000)	(142,434,357)	(555,098,386)	(725,906,270)	(67,979,580)	(40,165,186)	(63,704,964)	(55,196,002)	(210,687,526)	(210,306,512)	(448,888,954)	(243,198,827)	(1,882,823,319)	(1,492,624,530)
Change in fair value of investment property	-	-	-	-	198,000,000	354,120,000	-	-	-	-	-	-	-	-	198,000,000	354,120,000
Share of results of equity accounted investments	-	-	-	-	-	-	-	-	-	-	(1,356,428)	(11,055,884)	5,573,410	1,431,931	(9,623,953)	4,623,953
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(45,612,595)	13,048,765	-	-	-	-	(45,612,595)	13,048,765
Change in contract liability due to transfer of one-off surplus	-	-	-	-	-	-	-	-	798,004,000	-	-	-	-	-	798,004,000	-
Profit/ (loss) before taxation	275,406,875	44,629,696	(269,556,428)	(228,376,627)	(127,058,008)	(25,440,844)	(87,981,381)	(91,938,556)	1,246,250,014	314,657,638	478,291,293	392,010,250	(495,994,359)	(409,580,123)	1,019,358,006	(4,632,566)
Tax expense	(83,470,774)	(44,691,669)	(67,620,474)	82,323,990	(2,398,391)	(201,233,885)	21,008,043	3,499,061	54,239,571	(28,545,447)	(276,153,463)	(84,019,033)	(21,376,601)	(41,224,042)	(375,772,109)	(313,891,025)
Profit/ (loss) from continuing operations	191,936,101	(61,973)	(337,176,902)	(146,046,637)	(129,456,399)	(226,674,729)	(66,973,338)	(88,439,495)	1,300,489,585	285,512,191	202,137,810	307,991,217	(517,376,960)	(450,804,165)	643,585,897	(318,523,591)
Profit for the period from discontinued operation	-	-	-	-	-	-	-	-	-	2,197	-	-	-	-	-	2,197
Profit/ (loss) after taxation	191,936,101	(61,973)	(337,176,902)	(146,046,637)	(129,456,399)	(226,674,729)	(66,973,338)	(88,439,495)	1,300,489,585	285,514,388	202,137,810	307,991,217	(517,376,960)	(450,804,165)	643,585,897	(318,521,394)
Depreciation of property, plant & equipment (PPE)	15,079,366	20,358,570	188,027,726	93,279,931	132,256,019	106,263,150	(22,756,699)	10,128,519	45,381,370	31,549,102	212,269,289	202,999,775	10,108,671	13,288,647	880,365,742	477,867,694
Amortisation of lease rentals paid in advance	-	-	-	-	29,723	29,723	-	-	50,148,076	259,233	50,148,076	259,233	-	-	50,148,076	259,233
Amortisation of intangible assets	129,286	(529,389)	5,472,450	4,055,321	22,053,467	15,501,240	-	-	61,721,673	101,427,981	2,130,469	2,130,469	588,046	935,921	92,083,391	123,521,543
Retirement benefit obligations and related cost	13,605,979	6,205,863	3,973,575	(157,680)	1,664,432	1,568,253	1,652,509	(99,704)	10,249,184	7,154,633	23,482,216	23,224,449	5,995,726	1,814,137	60,623,821	39,709,951
Purchase and construction of PPE	(93,165,296)	20,086,197	648,656,398	493,642,532	99,819,832	282,614,038	(30,801,306)	1,101,719	61,022,905	33,194,475	1,188,565,776	684,309,431	16,668,182	12,928,310	1,891,767,921	1,527,876,702
Additions to intangible assets	20,461,776	28,318,808	-	15,784,979	116,542,414	15,176,475	-	-	(126,100)	70,484,130	-	-	-	-	136,878,090	129,764,392

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

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The interim financial statements of the Group and the Company for the year ended 31 March 2018 were authorised for issue by the Board of Directors on 31 May 2018.

2. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting. These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

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 Consolidated Financial Statements have been restated in accordance with Sri Lanka Accounting Standard LKAS – 8, Accounting Policies, changes in Accounting Estimates and Errors, to reflect the following.

2.1 Impact to the consolidated income statement for the year ended 31 March 2017

In Rs.	Published for FY 2017	Impact of errors	Published for FY 2018
Continuing operations			
Revenue	59,087,730,604	(228,490,023)	58,859,240,581
Gross profit	19,710,023,847	(228,490,023)	19,481,533,824
Administrative expenses	(12,350,088,217)	27,406,855	(12,322,681,362)
Results from operating activities	5,315,215,918	(201,083,168)	5,114,132,750
Profit before tax	1,684,746,974	(201,083,168)	1,483,663,806
Tax expense	(863,567,306)	57,505,866	(806,061,440)
Profit for the period from continuing operations	821,179,668	(143,577,302)	677,602,366
Profit for the period	966,497,035	(143,577,302)	822,919,733
Attributable to:			
Equity holders of the parent	108,189,090	(86,040,842)	22,148,248
Non-controlling interest	858,307,945	(57,536,460)	800,771,485
	966,497,035	(143,577,302)	822,919,733
Earnings per share - (Rs.)			
Basic - continuing operations	0.06	(0.11)	(0.05)
- discontinued operations	0.08	-	0.08

2.2 Impact to the consolidated financial position as at 01 April 2016 and 31 March 2017

	Equity as at 31 March 2017			Equity as at 01 April 2016		
	Published/ restated/ FY 2017	Impact of errors	Published for FY 2018	Published FY 2016	Impact of errors	Published for FY 2018
Assets						
Current assets						
Trade and other receivables	8,367,047,256	(23,111,931)	8,343,935,325	8,444,525,068	(305,879,065)	8,138,646,003
Loans and advances	14,871,367,903	(205,378,092)	14,665,989,811	11,222,013,402	(419,452,852)	10,802,560,550
Other current assets	3,796,255,673	116,703,295	3,912,958,968	3,495,133,415	24,733,460	3,519,866,875
Total current assets	42,817,510,488	(111,786,728)	42,705,723,760	40,298,037,383	(700,598,457)	39,597,438,926
Total assets	100,930,647,972	(111,786,728)	100,818,861,244	93,853,875,440	(700,598,457)	93,153,276,983
Equity and liabilities						
Revenue reserves	74,505,365	(54,978,068)	19,527,297	1,034,232,119	(562,888,162)	471,343,957
Other components of equity	3,374,121,493	(31,062,774)	3,343,058,719	8,789,899,826	(66,025,265)	8,723,874,561
Equity attributable to equity holders	8,537,626,858	(86,040,842)	8,451,586,016	8,789,899,826	(628,913,427)	8,160,986,399
Non-controlling interests	7,132,745,245	(57,536,460)	7,075,208,785	7,543,661,483	(171,558,315)	7,372,103,168
Total equity	15,670,372,103	(143,577,302)	15,526,794,801	16,333,561,309	(800,471,742)	15,533,089,567
Non-current liabilities						
Deferred tax liabilities	427,305,239	31,790,574	459,095,813	338,202,428	(64,593,062)	273,609,366
Total non-current liabilities	39,669,269,901	31,790,574	39,701,060,475	30,344,047,030	(64,593,062)	30,279,453,968
Current liabilities						
Income tax liabilities	535,787,337	-	535,787,337	403,919,344	164,466,347	568,385,691
Total current liabilities	45,591,005,968	-	45,591,005,968	47,176,267,101	164,466,347	47,340,733,448
Total equity and liabilities	100,930,647,972	(111,786,728)	100,818,861,244	93,853,875,440	(700,598,457)	93,153,276,983

The interim financial statements are presented in Sri Lankan Rupees.

3. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES**3.1 Valuation of Life Insurance Fund**

An amount of Rs. 585.00 mn declared as surplus for the quarter ended 31st March 2018 in addition to the amount of Rs. 342.00 mn declared as surplus for the quarter ended 31st December 2017 and an amount of Rs. 440.00 mn declared as surplus for the quarter ended 30th June 2017 (total transfer for the twelve months ended 31st March 2018 was Rs. 1,367.00 mn) from Non Participating Fund, as approved by appointed Actuary Mr. Kunj Behari Maheshwari, Messrs. Wills Towers Watson subject to strict conditions of Insurance Regulatory Commission of Sri Lanka being complied with by the Softlogic Life Insurance PLC.

The Financial Statements of Softlogic Life Insurance PLC as at 31st March 2018 were audited by Messrs. KPMG, Chartered Accountants.

3.2 Transfer of One-off Surplus from Policy Holder Fund to Share Holder Fund

The Insurance Regulatory Commission of Sri Lanka (IRC SL) has issued a Direction No 16 on 20th 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 One-off surplus attributable to Policyholder Non-Participating Fund to Share Holder Fund as at the reporting year ended 31st 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 the approval for this transfer on 29th 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 IRC SL and can only be released as dividends upon receiving approval from the IRC SL. The One-off Surplus in the Share Holder Fund will remain invested in government debt securities and deposits as disclosed in Note 9.3 as per the directions of the IRC SL"

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 Share Holder Fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000". Please refer Note 3.3 for details of assets supporting the restricted regulatory reserve as at 31st March 2018.

In Rs.	Participating Fund	Non-Participating Fund	Total
Value of Insurance Contract Liability based on Independent Actuary-NPV as at 31st December 2015	3,866,780,000	2,472,575,000	6,339,355,000
Value of Insurance Contract Liability based on Independent Actuary-GPV as at 31st December 2015	2,810,245,000	1,674,571,000	4,484,816,000
Surplus Created due to Change in Valuation method from NPV to GPV One off Surplus as at 01st January 2016	1,056,535,000	798,004,000	1,854,539,000
Transfer of One-off Surplus from long term fund to Restricted Regulatory Reserve as at 31st December 2017	-	(798,004,000)	(798,004,000)
Surplus Created due to Change in Valuation method from NPV to GPV One off Surplus as at 31st March 2018	1,056,535,000	-	1,056,535,000

The distribution of One-off surplus to Shareholders as dividends shall remain restricted until a Company develops appropriate policies and procedures for effective management of its business

3.3 Composition of Investments Supporting the Restricted Regulatory Reserve as at 31st March 2018

In Rs.	Face Value	Market Value as at 31 March 2018
Government Securities		
Treasury Bond	100,000,000	127,236,000
Repos		
Commercial Bank PLC		281,611,379
First Capital Holdings PLC		90,568,943
Deposits		
Sampath Bank PLC	250,000,000	257,146,667
Hatton National Bank PLC	200,000,000	205,594,698
Total market value of the assets		962,157,686

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4. SHARE INFORMATION

4.1 Public share holdings

The percentage of shares held by the public as at 31 March 2018 was 15.02% (number of public shareholders - 11,022)

4.2 Directors' share holdings

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

As at	31-03-2018
A K Pathirage - Chairman/ Managing Director	384,181,775
G W D H U Gunawardena	57,527,300
R J Perera	60,836,700
H K Kaimal	64,870,800
M P R Rassool	Nil
Dr S Selliah	2,000,000
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
R A Ebell	Nil
Prof. A S Dharmasiri	Nil
A Russell-Davison	Nil
S Saraf (appointed w.e.f. 26 March 2018)	Nil
C K Gupta (alternative director to Mr. S Saraf)	Nil
	569,416,575

4.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 31-03-2018	%
1 Mr. A K Pathirage	345,231,775	35.90
2 Samena Ceylon Holdings Ltd	182,728,399	19.00
3 Mr. H K Kaimal	64,870,800	6.75
4 Samena Special Situations Fund III L.P.	60,900,834	6.33
5 Mr. R J Perera	60,836,700	6.33
6 Mr. G W D H U Gunawardena	57,527,300	5.98
7 Pemberton Asian Opportunities Fund	46,000,000	4.78
8 Commercial Bank of Ceylon PLC/ A K Pathirage	38,950,000	4.05
9 Employees Provident Fund	7,230,500	0.75
10 Mrs. A Selliah	4,236,000	0.44
11 J. B. Cocoshell (Pvt) Ltd	4,115,402	0.43
12 Mr. S J Fancy	4,000,000	0.42
13 Arunodhaya Investments (Private) Limited	3,950,000	0.41
Arunodhaya Industries (Private) Limited	3,950,000	0.41
Arunodhaya (Private) Limited	3,950,000	0.41
14 Miss. S Subramaniam	3,800,000	0.40
Mrs. A Kailasapillai	3,800,000	0.40
15 Mr. K Arvinthan	3,500,000	0.36
16 Dr. K M P Karunaratne	3,000,000	0.31
17 MAS Capital (Pvt) Ltd	2,330,447	0.24
18 Dr. S Selliah	2,000,000	0.21
19 Mr. M A Jafferjee	1,650,000	0.17
Mr. S G H I Jafferjee	1,650,000	0.17
20 Timex Garments (Pvt) Ltd	1,609,529	0.17

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

5. STATED CAPITAL MOVEMENTS

5.1 No of shares

	No of shares
As at 01 April 2017	779,000,000
No of shares issued during the period *	182,728,395
As at 31 March 2018	961,728,395

5.2 Value of shares

	Rs
As at 01 April 2017	5,089,000,000
Total value of shares issued during the period *	3,106,382,715
As at 31 March 2018	8,195,382,715

* The Directors of Softlogic Holdings PLC resolved on 24th January 2018 to issue 182,728,395 ordinary shares of the company by way of a private placement to Samena Ceylon Holdings Ltd at a price of Rs. 17.00 per share amounting to a total consideration of Rs. 3,106,382,715.00. This was subsequently approved by shareholders at an EGM held on 26 March 2018.

6. INVESTOR INFORMATION

6.1 Market value of shares

31-03-2018

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

Closing price on (Rs.)	24.60
Highest price recorded for the three months ending (Rs.)	26.20
Lowest price recorded for the three months ending (Rs.)	12.30
Market Capitalisation (Rs. mn)	23,658.52

6.2 Ratios

Net assets per share at the period end (Rs.)	13.92
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6.3 Share trading information from 01 January 2018 to 31 March 2018

Number of shares traded	121,860,918
Value of shares traded (Rs.)	2,284,673,083

7. TAX EXPENSE

The Income Tax Act No.24 of 2017 was certified on 24 October 2017 and is effective from 01 April 2018. Accordingly, Deferred Tax provisions at 31st March 2018 have been computed at the rates applicable post 1st April 2018. The Deferred Tax provisions include provisions on cumulative revaluation gains on land, as profits on sales of land have now become taxable.

In Rs.	Group		Company	
	2018	2017	2018	2017
Income statement				
Current income tax	1,192,026,771	1,079,050,131	121,676,136	51,179,124
Deferred tax charge/ (reversal)	(344,420,913)	(215,482,825)	258,756,941	1,381,142
	847,605,858	863,567,306	380,433,077	52,560,266
Other comprehensive income				
Deferred tax charge/ (reversal)	2,378,483,976	38,366,048	(2,861,285)	(374,600)
	2,378,483,976	38,366,048	(2,861,285)	(374,600)

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

8. BUSINESS COMBINATIONS AND ACQUISITIONS OF NON-CONTROLLING INTERESTS

Group

In July 2017, Softlogic Retail (Pvt) Ltd, a subsidiary of Softlogic Holdings PLC acquired 67% ordinary shares of Suzuki Motors Lanka Ltd at a price of Rs. 43.40 per share.

Company

In March 2018, Softlogic Holdings PLC transferred its ownership in Softlogic Communication Services (Pvt) Ltd, Softlogic Mobile Distribution (Pvt) Ltd, Softlogic International (Pvt) Ltd and Softlogic Retail (Pvt) Ltd to Softlogic Retail Holdings (Pvt) Ltd, which is a fully owned subsidiary of Softlogic Holdings PLC.

The company has obtained independent valuations of each entity transferred to Softlogic Retail Holdings (Pvt) Ltd and the gains resulting from these transactions have been accounted for as Other Operating Income of the company.

9. CONTINGENCIES

CONTINGENT LIABILITIES

There were no significant changes in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31st March 2018 other than the following.

Asiri Surgical Hospital PLC

A dispute has arisen with the Department of Inland Revenue with regard to the applicability of the income tax exemption in terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (BOI) in 2000. Since there is litigation in the Court of Appeal in CA (Writ) 386/ 2016 with regard to this matter, in accordance with Paragraph 92 of LKAS 37, we are unable to provide further information on this and associated risks, in order not to impair the outcome and/or prejudice the Company's position in this matter. The aforesaid matter is coming up for argument on 18th July 2018 at the Court of Appeal.

10. CAPITAL COMMITMENTS

As at 31 March 2018, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 9,057.00 mn (31 March 2017 - 1,832.80 mn).

11. EVENTS AFTER THE REPORTING PERIOD

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

Rights Issue - Softlogic Holdings PLC

The Directors of Softlogic Holdings PLC, announced that the Company will issue 230,814,814 ordinary shares by way of a Rights Issue at a price of Rs. 17.00 per share and listing of the said shares in the Colombo Stock Exchange(CSE) was completed on 10 May 2018. Shareholders approved this share issue at the EGM held on 26 March 2018.

The proceeds from the aforesaid Rights Issue will be used to settle the short term debt and the long term borrowings.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY TRANSACTIONS

10.1 Transactions with related parties

In Rs.	Group		Company	
	12 months to 31-03-2018	12 months to 31-03-2017	12 months to 31-03-2018	12 months to 31-03-2017
Subsidiaries				
(Purchases) / sales of goods	-	-	(14,301,040)	(36,428,238)
(Receiving) / rendering of services	-	-	623,477,772	527,485,463
(Purchases) / sale of property plant & equipment	-	-	(37,732,612)	(44,942,474)
Loans given / (obtained)	-	-	6,134,858,186	742,379,412
Interest received / (paid)	-	-	829,530,327	632,247,907
Rent received / (paid)	-	-	(27,463,862)	49,157,625
Dividend received	-	-	891,212,929	1,341,412,885
Profit on disposal of shares	-	-	4,588,114,496	1,112,455,617
Guarantee charges received	-	-	181,886,629	155,966,528
Guarantees given / (obtained)	-	-	18,492,140,000	20,868,890,000
Associates				
(Purchases) / sale of property plant & equipment	11,295,858	947,859	-	-
(Receiving) / rendering of services	698,019	1,414,394	10,897,960	10,718,117
Dividend received	-	-	3,015,010	1,800,014
Key management personnel				
Loans given/ (received)	(2,293,733)	(12,435,268)	(1,992,157)	(1,192,157)
Guarantees given/ (received)	(510,000,000)	(730,000,000)	(100,000,000)	(100,000,000)
Loans given/ (customer deposits received)	(44,852,545)	(84,672,005)	-	-
Advances given/ (received)	(151,833,195)	(60,765,196)	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-

10.2 Terms and conditions of transactions with related parties

Transactions with related parties are carried out 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.

Company Registration No

PV 1536 PB/PQ

Registered Office of the Company

14, De Fonseka Place,

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

Dr S Selliah

W M P L De Alwis, PC

G L H Premaratne

R A Ebell

Prof. A S Dharmasiri

A Russell-Davison

S Saraf (appointed w.e.f. 26 March 2018)

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

Audit Committee

R A Ebell - Chairman

Dr S Selliah

Prof. A S Dharmasiri

Related Party Transaction Committee

Dr S Selliah - Chairman

H K Kaimal

W M P L De Alwis, PC

HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

W M P L De Alwis, PC

G L H Premaratne

R A Ebell

A Russell-Davison

Secretaries

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Bankers

Bank of Ceylon

Cargills Bank Ltd

Commercial Bank of Ceylon PLC

Deutsche Bank AG, Colombo

DFCC Bank PLC

Hatton National Bank PLC

Muslim Commercial Bank

National Development Bank PLC

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

People's Bank

Sampath Bank PLC

Seylan Bank PLC

Union Bank of Colombo PLC

Auditors

Ernst & Young

Chartered Accountants

201, De Saram Place,

Colombo 10