



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30 JUNE 2016

Dear Shareholders,

The first quarter financial results of FY2016/17 reflected mixed fortunes. The floods and landslides that affected Sri Lanka in May, had taken its toll on some parts of the economy dampening the business sentiment further. Furthermore, the introduction of VAT to the healthcare sector resulted in such services being viewed by the public as too expensive to bear, which adversely affected the quarter results of this sector.

Nonetheless, Group revenue increased a strong 13.3% to Rs. 14.8 Bn for the quarter. Group turnover was primarily dominated by its fully-owned sectors – Retail (32.1%) and ICT (30.6%). Financial Services improved its contribution to Group revenue to 17.2% whilst Healthcare Services sustained its turnover contribution at 16.4%. Automobiles continued with a marginal contribution as plans are underway to improve the sector performance in the periods to come.

Gross Profit registered a marginal improvement of 4.2% to Rs. 4.5 Bn during the first three months of the financial year. Despite increasing business activities, operational cost margins were optimized at 24% during the period with operational expenses increasing 14.5% to Rs. 3.5 Bn. Distribution costs increased 30.3% to Rs. 853.0 Mn whilst administrative costs registered an increase of 10.2% to Rs. 2.7 Bn during the quarter.

Other operating income, primarily composing of fees received for new loans at Softlogic Finance PLC increased 53.9% to Rs. 298.4 Mn. Subsequently, results from operating activities reached Rs. 1.3 Bn for the quarter under review.

Finance Income continued to contract on the back of unrealized fair value gains at Asian Alliance Insurance PLC's investment portfolio with increasing interest rates affecting its bond portfolio. Consequently, Finance Income declined 38.8% to Rs. 184.3 Mn during the three-month period. Rs. 30.8 Mn was

transferred to life policy holders' account for the quarter. Increasing interest rates was a systemic challenge faced by many corporate leaders in recent times. Finance Expenses increased 11.8% to Rs. 901.1 Mn during quarter.

Profit before tax improved 13.2% to Rs. 533.1 Mn taking the profit after taxation for the first three months of FY2016/17 to Rs. 428.4 Mn, a 40.8% improvement compared to last year.

Earnings per share improved to Rs. 0.13 from Rs. 0.11 last year.

Information & Communication Technology

ICT revenue was up 19.6% to Rs. 4.5 Bn for the quarter. 'Samsung' operations led the sector performance followed by 'Microsoft' and 'HTC'. The IT business performance exceeded expectations with realization of business contracts. Business areas such as IT Security and end-user computing which gained renewed focus have been rewarding.

This segment's operating profit for the period was Rs. 260.9 Mn taking sectorial PBT to Rs.177.1 Mn. ICT sector PAT for the period was Rs. 127.6 Mn.

Retail

Retail sector's revenue rose 9.0% to Rs. 4.7 Bn with primary performers being Softlogic Retail and Odel PLC. Performance of Softlogic Brands, a fully owned subsidiary of Odel PLC which operates the sector's international branded apparel and fashion accessories business, witnessed significant financial improvement with further realisation of synergies, optimization of the supply chain and inventory management. Burger King operations reported strong earnings despite its expansion imperatives.

Consumer Electronics network stands with 232 stores island wide with the last being opened in Hettipola in the Kurunegala district. We now have a total retail space of 291,631 sq. ft in the Consumer Electronics business. We launched our second 'Softlogic' brand – Softlogic Prizm TV, a wide range of Smart TVs sold at affordable prices.

Operating profit improved 19.9% to Rs. 428.0 Mn during 1QFY17. Operating profit margins improved to 9.0% from 8.2% last year despite brand acquisitions and store expansions. Sector PBT improved 33.9% to Rs. 148.5 Mn before reaching a PAT of Rs. 93.5 Mn, up 18.6% following an increase in taxation to Rs. 55.0 Mn due to tax provisions made during 1QFY17.

Healthcare Services

Healthcare Services reported a topline of Rs. 2.4 Bn, a 4.6% increase, during 1QFY17 with sector's operating profit reaching Rs. 428.3 Mn, down by 14.1% to conclude quarterly PAT at Rs. 296.0. Private healthcare industry was negatively affected by the 15% VAT imposition on the sector in May discouraging patients from private healthcare to escape the unaffordable surcharge in their medical bills. However, with the suspension of VAT subsequently, sector's performance has been restored.

Our Laboratory Services, where we hold a dominant market share, has been on an rapid expansion mode. Asiri Health will expand its footprint with centers island-wide in the upcoming periods.

Asiri Kandy hospital, which has commenced construction, will completed by 2018.

Financial Services

Financial Services witnessed a strong 17.3% growth in topline to Rs. 2.5 Bn during 1QFY17 with its contribution to the Group revenue constituting 17.2%. Operating profit for the quarter was Rs. 217.7 Mn. Sector PBT achieved more than a two-fold growth to Rs. 316.2 Mn (Versus Rs. 89.8 Mn in 1QFY16).

Both Life and Non-Life business of Asian Alliance Insurance PLC performed within expectations during the quarter ranking 5th in Life business. Strengthening distribution channel and innovative product offers added to the growth story of the insurance business whose GWP increase 35.2% to Rs. 1.9 Bn during the quarter under review.

Softlogic Finance's assets rose to Rs. 22.5 Bn (Rs. 21.6 Bn as at 30th June 2015) whilst Customer Deposits improved to Rs. 15.2 Bn . NPLs of legacy lending is retarding while the new loans are performing strongly in comparison.

Asian Alliance Insurance signed a Share Sale & Purchase Agreement (SSPA) to dispose of its General Insurance business to Fairfax Group in June. This would help Asian Alliance Insurance PLC to focus on its thriving life insurance business. Sale of this would be concluded by end September.

Automobile

Automobile sector registered strong revenue improvement of 28.4% to Rs. 381.0 Mn during the first quarter of FY2016/17. The turnaround of this sector continued as operating profit for the quarter improved to Rs. 9.6 Mn from Rs. 1.8 Mn reported last year.

The sales driver during the quarter was 'Ford' business with 'Ranger 2016' which is far superior with better safety rating to competitors. Hence, our market share in the double cab industry vastly improved.

Leisure

Leisure sector primarily reflected Ceysand Resorts' performance to make a topline of Rs. 159.6 Mn, a 21.8% increase. Operating performance improved significantly as losses of the two-year old resort reduced to Rs. 59.7 Mn as opposed to losses of Rs. 86.2 Mn reported last year. Ceysand Resorts was given a rating of excellence, 4.3 out of 5.0, by hotels.com which is a company of Expedia Inc. The resort is presently enjoying healthy occupancy levels.

Movenpick fit-out is at final stages with testing and commissioning work expected to start in October so that the hotel will be operational by January 2017. This would be the country's first five-star hotel in three decades.

Future Outlook

Despite challenging times ahead, a rising business confidence level following policy framework changes would ensure that the negative climate would be offset by robust consumer demand. It should be noted that the overall economic value creation of Softlogic continues unimpeded due to the recognition of the inherent value of the businesses which are in the right economic sectors.

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Ashok Pathirage

Chairman

15 August 2016

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2016	Unaudited 3 months to 30-06-2015	Change as a %	Audited 12 months to 31-03-2016
Revenue	14,765,670,405	13,037,530,020	13.26	56,112,601,331
Cost of sales	(10,258,358,360)	(8,713,330,665)	17.73	(37,396,361,596)
Gross profit	4,507,312,045	4,324,199,355	4.23	18,716,239,735
Other operating income	298,378,035	193,928,586	53.86	968,112,564
Distribution expenses	(853,039,131)	(654,775,048)	30.28	(2,971,178,595)
Administrative expenses	(2,680,017,615)	(2,431,396,524)	10.23	(10,434,482,932)
Results from operating activities	1,272,633,334	1,431,956,369	(11.13)	6,278,690,772
Finance income	184,339,018	301,058,000	(38.77)	1,059,256,615
Finance expenses	(901,068,441)	(805,898,942)	11.81	(3,249,698,879)
Net finance cost	(716,729,423)	(504,840,942)	41.97	(2,190,442,264)
Change in fair value of investment property	-	-	-	13,532,000
Change in insurance contract liabilities	(30,783,992)	(459,156,384)	(93.30)	(1,028,927,837)
Share of profit of equity accounted investees	7,994,111	2,971,378	169.04	13,501,860
Profit before tax	533,114,030	470,930,421	13.20	3,086,354,531
Tax expense	(104,712,587)	(166,718,386)	(37.19)	(905,301,158)
Profit for the period	428,401,443	304,212,035	40.82	2,181,053,373
Attributable to:				
Equity holders of the parent	101,791,311	83,667,663	21.66	722,046,693
Non-controlling interest	326,610,132	220,544,372	48.09	1,459,006,680
	428,401,443	304,212,035	40.82	2,181,053,373
Earnings per share - Basic	0.13	0.11	21.71	0.93
Dividend per share	0.50	0.25	100.00	0.25

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.	Unaudited 3 months to 30-06-2016	Unaudited 3 months to 30-06-2015	Change as a %	Audited 12 months to 31-03-2016
Profit for the period	428,401,443	304,212,035	40.82	2,181,053,373
Other comprehensive income				
Other comprehensive income to be reclassified to income statement in subsequent periods				
Currency translation of foreign operations	1,588,712	(846,536)	287.67	(11,538,598)
Net change in fair value on derivative financial instruments	(12,030,118)	-	-	(106,930,240)
Net (loss) / gain on available-for-sale financial assets	105,185,697	313,430,407	(66.44)	(1,662,148,946)
Available-for-sale financial assets reclassified to income statement	2,333,858	(81,344,322)	102.87	(105,819,875)
Tax on other comprehensive income to be reclassified to income statement in subsequent periods	(4,050,142)	-	-	22,606,454
Net other comprehensive income to be reclassified to income statement in subsequent periods	93,028,007	231,239,549	(59.77)	(1,863,831,205)
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Revaluation of land and buildings	-	-	-	2,827,760,341
Re-measurement gain/ (loss) on retirement benefits	-	-	-	66,613,655
Share of other comprehensive income of equity accounted investments	-	-	-	(376,419)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	(41,590,810)
Net other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	2,852,406,767
Other comprehensive income for the period, net of tax	93,028,007	231,239,549	(59.77)	988,575,562
Total comprehensive income for the period, net of tax	521,429,450	535,451,584	(2.62)	3,169,628,935
Attributable to:				
Equity holders of the parent	131,765,738	185,922,334	(29.13)	1,986,262,915
Non-controlling interest	389,663,712	349,529,250	11.48	1,183,366,020
	521,429,450	535,451,584	(2.62)	3,169,628,935

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.	Unaudited as at 30-06-2016	Unaudited as at 30-06-2015	Audited as at 31-03-2016
ASSETS			
Non-current assets			
Property, plant and equipment	31,507,843,176	25,714,645,944	30,760,141,516
Lease rentals paid in advance	853,499,739	854,536,672	853,758,972
Investment property	682,880,000	94,848,000	682,880,000
Intangible assets	8,655,031,826	8,805,101,178	8,701,078,597
Investments in associates	68,235,448	28,355,498	60,241,336
Other non-current financial assets	13,212,578,279	12,380,424,041	11,770,455,928
Rental receivable on lease assets and hire purchase	265,942,834	1,571,696,204	481,364,790
Other non-current assets	440,630,528	294,528,522	385,626,456
Deferred tax assets	349,929,886	294,316,155	245,373,503
	56,036,571,716	50,038,452,214	53,940,921,098
Current assets			
Inventories	8,350,891,079	7,191,151,418	8,730,040,986
Trade and other receivables	9,856,636,443	8,385,053,174	8,444,525,068
Loans and advances	11,366,959,896	8,630,491,928	11,222,013,402
Rental receivable on lease assets and hire purchase	833,071,307	668,525,590	1,102,341,200
Amounts due from related parties	799,007	696,945	807,734
Other current assets	3,288,882,303	4,010,961,724	3,551,690,639
Short term investments	5,413,824,233	4,888,299,368	4,508,634,254
Cash in hand and at bank	2,583,926,690	3,523,392,229	2,958,753,845
	41,694,990,958	37,298,572,376	40,518,807,128
Investment property held-for-sale	-	2,698,000,000	-
	41,694,990,958	39,996,572,376	40,518,807,128
Total assets	97,731,562,674	90,035,024,590	94,459,728,226
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	1,340,371,951	1,045,836,202	1,643,838,961
Other components of equity	2,721,507,076	1,477,645,672	2,666,667,707
	9,150,879,027	7,612,481,874	9,399,506,668
Non-controlling interests	7,963,682,098	8,478,580,541	8,046,845,071
Total equity	17,114,561,125	16,091,062,415	17,446,351,739
Non-current liabilities			
Insurance contract liabilities	6,188,984,169	5,588,428,721	6,158,200,177
Interest bearing borrowings	23,643,472,570	23,638,498,679	21,231,336,127
Public deposits	1,597,001,705	2,281,214,069	1,521,942,995
Deferred tax liabilities	373,913,423	325,155,160	381,478,410
Employee benefit liabilities	720,689,448	680,088,470	688,105,084
Other deferred liabilities	3,240,643	2,584,398	1,609,638
Other non-current financial liabilities	47,667,888	24,210,620	28,732,581
	32,574,969,846	32,540,180,117	30,011,405,012
Current liabilities			
Trade and other payables	6,980,815,374	7,205,165,931	7,725,457,941
Amounts due to related parties	18,821,758	16,124,463	47,339,959
Income tax liabilities	456,702,781	397,594,970	403,919,344
Other current financial liabilities	13,739,017,031	15,377,862,025	14,875,266,676
Current portion of interest bearing borrowings	8,218,207,526	3,618,030,246	7,188,714,116
Other current liabilities	1,311,544,986	2,178,392,428	1,155,142,814
Public deposits	13,553,999,322	10,706,524,074	12,470,267,755
Bank overdrafts	3,762,922,925	1,904,087,921	3,135,862,870
	48,042,031,703	41,403,782,058	47,001,971,475
Total equity and liabilities	97,731,562,674	90,035,024,590	94,459,728,226

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.

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Director

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Director

15 August 2016
Colombo

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs.	Unaudited 3 months to 30-06-2016	Unaudited 3 months to 30-06-2015	Audited 12 months to 31-03-2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	533,114,030	470,930,421	3,086,354,531
Adjustments for:			
Finance income	(184,339,018)	(301,058,000)	(1,059,256,615)
Finance cost	901,068,441	805,898,942	3,249,698,879
Change in fair value of investment property	-	-	(13,532,000)
Share of results of associates	(7,994,111)	(2,971,378)	(13,501,860)
Gratuity provision and related costs	39,494,587	35,191,874	151,091,113
Provisions for/ write off of impaired receivables	41,344,160	38,300,000	124,450,862
Provision for impairment of inventories	14,178,325	5,200,000	216,992,560
Provisions for/ write off of loans and advances	11,585,471	40,617,837	244,287,301
Provisions for/ write off of investments in lease and hire purchase	63,965,946	60,985,327	104,384,153
Depreciation of property, plant and equipment	401,668,911	355,490,228	1,535,469,422
Profit on sale of property, plant and equipment	(5,680,128)	(5,579,159)	(3,328,749)
Profit on sale of investments	(21,238,279)	(23,791,916)	(110,282,192)
Loss on disposal of investment property	-	-	803,680
Unrealised (gain)/ loss on foreign exchange	13,210,895	(12,813,920)	17,392,624
Amortisation/ impairment of intangible assets	74,722,598	68,660,472	279,697,721
Amortisation of prepaid lease rentals	259,233	259,233	1,036,933
Provision for financial liabilities at fair value through profit or loss	-	-	3,096,355
Increase / (decrease) in deferred income	3,689,551	(22,701,232)	22,721,610
Impairment & derecognition of property, plant & equipment and Intangible assets	-	30,637	21,357,916
Profit before working capital changes	1,879,050,612	1,512,649,366	7,858,934,244
(Increase) / decrease in inventories	364,971,582	473,211,427	(1,277,470,701)
(Increase) / decrease in trade and other receivables	(1,453,455,535)	(1,800,550,068)	(2,095,457,658)
(Increase) / decrease in loans and advances	(802,122,566)	(6,306,937,906)	(2,916,785,712)
(Increase) / decrease in investments in lease and hire purchase	420,725,904	4,250,090,059	1,414,495,531
(Increase) / decrease in other current assets	262,808,336	(250,864,516)	(237,179,200)
(Increase) / decrease in amounts due from related parties	8,727	(124,892)	(235,681)
Increase / (decrease) in trade and other payables	(744,642,563)	176,139,738	673,189,714
Increase / (decrease) in amounts due to related parties	(28,518,201)	153,679	1,369,175
Increase / (decrease) in other current liabilities	154,343,626	(130,258,161)	94,619
Increase / (decrease) in public deposits	1,158,790,276	934,681,953	1,939,154,560
Increase / (decrease) in insurance provision	30,783,992	459,156,384	1,028,927,838
Cash generated from/ (used in) operations	1,242,744,190	(682,652,937)	6,389,036,729
Finance income received	173,332,158	181,111,375	809,484,568
Finance expenses paid	(876,123,703)	(781,270,963)	(3,213,373,741)
Dividend received	-	-	8,998,000
Tax paid	(103,451,725)	(39,076,301)	(550,268,367)
Gratuity paid	(6,910,223)	(11,028,949)	(52,297,920)
Net cash flow from/ (used in) operating activities	429,590,697	(1,332,917,775)	3,391,579,269
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(1,253,421,796)	(1,217,527,153)	(4,759,704,651)
Addition to intangible assets	(28,675,827)	(21,157,776)	(131,742,624)
(Increase)/ decrease in other non-current assets	(55,004,072)	(1,735,556)	(92,833,490)
(Purchase) / disposal of short term investments (net)	(146,804,042)	(671,270,285)	(743,727,475)
Dividends received	1,913,745	6,641,805	135,944,407
(Purchase) / disposal of other non-current financial assets	(665,569,292)	99,301,948	(1,251,117,200)
Proceeds from sale of investment property (net of tax)	-	-	1,497,196,320
Proceeds from sale of property, plant and equipment	13,835,670	43,338,797	109,327,701
Net cash flow from/ (used in) investing activities	(2,133,725,614)	(1,762,408,220)	(5,236,657,012)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Dividend paid to non-controlling interest	(307,649,237)	(52,719,669)	(181,008,974)
Proceeds from shareholders with non-controlling interest on issue of shares in subsidiaries	-	-	845,708,336
Repayment of non-controlling interest on repurchase of shares in subsidiaries	-	-	(368,726,833)
Proceeds from long term borrowings	4,220,574,738	2,029,058,921	10,812,256,492
(Increase) / decrease of controlling interest	(158,249,094)	(5,545,633)	(1,860,957,354)
(Increase) / decrease in other non-current financial liabilities	18,935,307	(7,500,000)	3,282,313
Repayment of long term borrowings	(818,552,743)	(2,255,257,112)	(10,403,803,296)
Proceeds from / (repayment of) short term borrowings (net)	(1,136,249,645)	619,222,220	109,057,570
Direct cost on issue of shares/ share repurchase	-	(422,000)	(32,797,264)
Dividend paid to equity holders of parent	(387,204,149)	(193,602,075)	(193,602,071)
Net cash flow from/ (used in) financing activities	1,431,605,177	133,234,652	(1,270,591,081)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(272,529,740)	(2,962,091,343)	(3,115,668,824)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	2,531,997,653	5,648,046,408	5,648,046,408
Effect of exchange rate changes	27,100	162,658	(379,931)
CASH AND CASH EQUIVALENTS AT THE END	2,259,495,013	2,686,117,723	2,531,997,653
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	2,583,926,690	3,523,392,229	2,958,753,845
Short term investments	3,438,491,248	1,066,813,415	2,709,106,678
Unfavourable balances			
Bank overdrafts	(3,762,922,925)	(1,904,087,921)	(3,135,862,870)
Cash and cash equivalents	2,259,495,013	2,686,117,723	2,531,997,653

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

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs.	Attributable to equity holders of the parent										Non-controlling interests	Total equity
	Stated capital	Treasury shares	Revaluation reserve	Exchange translation reserve	Available-for-sale reserve	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve	Total		
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)	1,643,838,961	9,399,506,668	8,046,845,071	17,446,351,739
Profit for the period	-	-	-	-	-	-	-	-	101,791,311	101,791,311	326,610,132	428,401,443
Other Comprehensive income	-	-	-	1,588,712	40,391,030	-	-	(12,005,311)	-	29,974,431	63,053,580	93,028,011
Total Comprehensive income	-	-	-	1,588,712	40,391,030	-	-	(12,005,311)	101,791,311	131,765,742	389,663,712	521,429,454
Dividend paid	-	-	-	-	-	-	-	-	(387,204,149)	(387,204,149)	-	(387,204,149)
Transfer to reserve fund	-	-	-	-	-	18,054,172	-	-	(18,054,172)	-	-	-
Acquisitions, disposals and changes in non-controlling interest	-	-	-	-	-	-	6,810,766	-	-	6,810,766	(165,177,448)	(158,366,682)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(307,649,237)	(307,649,237)
As at 30 June 2016	5,089,000,000	(55,921,185)	3,754,705,394	(36,725,667)	(534,960,409)	208,378,372	(495,254,346)	(118,715,083)	1,340,371,951	9,150,879,027	7,963,682,098	17,114,561,125
As at 01 April 2015	5,089,000,000	(55,921,185)	1,636,375,397	(26,775,781)	200,328,059	116,532,044	(502,197,708)	-	1,167,195,634	7,624,536,460	8,157,436,153	15,781,972,613
Profit for the period	-	-	-	-	-	-	-	-	83,667,663	83,667,663	220,544,372	304,212,035
Other Comprehensive income	-	-	-	(846,536)	103,101,207	-	-	-	-	102,254,671	128,984,878	231,239,549
Total Comprehensive income	-	-	-	(846,536)	103,101,207	-	-	-	83,667,663	185,922,334	349,529,250	535,451,584
Dividend paid	-	-	-	-	-	-	-	-	(193,602,075)	(193,602,075)	-	(193,602,075)
Direct cost on issue of shares	-	-	-	-	-	-	-	-	(421,270)	(421,270)	(730)	(422,000)
Transfer to reserve fund	-	-	-	-	-	11,003,750	-	-	(11,003,750)	-	-	-
Acquisitions, disposals and changes in non-controlling interest	-	-	-	-	-	-	(3,953,575)	-	-	(3,953,575)	(1,592,058)	(5,545,633)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(26,792,074)	(26,792,074)
As at 30 June 2015	5,089,000,000	(55,921,185)	1,636,375,397	(27,622,317)	303,429,266	127,535,794	(506,151,283)	-	1,045,836,202	7,612,481,874	8,478,580,541	16,091,062,415

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

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2016	Unaudited 3 months to 30-06-2015	Change as a %	Audited 12 months to 31-03-2016
Revenue	156,236,893	147,684,400	5.79	600,385,932
Cost of sales	(48,763,760)	(42,555,252)	14.59	(179,629,772)
Gross profit	107,473,133	105,129,148	2.23	420,756,160
Dividend income	247,508,764	1,176,257	20,942.07	1,169,827,933
Other operating income	1,100,234,808	4,847,423	22,597.31	719,453,832
Administrative expenses	(173,961,935)	(79,595,157)	118.56	(385,586,997)
Results from operating activities	1,281,254,770	31,557,671	3,960.04	1,924,450,928
Finance income	182,458,210	74,836,596	143.81	359,796,925
Finance expenses	(411,785,555)	(272,238,580)	51.26	(1,220,414,677)
Net finance cost	(229,327,345)	(197,401,984)	16.17	(860,617,752)
Change in fair value of investment property	-	-	-	95,383,063
Profit/ (loss) before tax	1,051,927,425	(165,844,313)	(734.29)	1,159,216,239
Tax expense	(12,500,000)	(2,000,000)	525.00	(127,446,638)
Profit/ (loss) for the period	1,039,427,425	(167,844,313)	(719.28)	1,031,769,601

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs.	Unaudited 3 months to 30-06-2016	Unaudited 3 months to 30-06-2015	Change as a %	Audited 12 months to 31-03-2016
Profit/ (loss) for the period	1,039,427,425	(167,844,313)	(719.28)	1,031,769,601
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Re-measurement gain/ (loss) on retirement benefits	-	-	-	(7,236,739)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	2,026,286
Other comprehensive loss for the period, net of tax	-	-	-	(5,210,453)
Total comprehensive income/ (loss) for the period, net of tax	1,039,427,425	(167,844,313)	(719.28)	1,026,559,148

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 30-06-2016	Unaudited as at 30-06-2015	Audited as at 31-03-2016
ASSETS			
Non-current assets			
Property, plant and equipment	128,812,128	107,827,233	130,772,378
Investment property	547,154,629	442,641,386	546,500,000
Intangible assets	1,578,515	1,339,161	2,510,822
Investments in subsidiaries	13,118,799,948	10,598,445,805	12,062,825,177
Investments in associates	11,000,000	11,000,000	11,000,000
Other non-current financial assets	1,858,399,766	1,277,946,624	468,957,025
Deferred tax assets	-	68,817,557	-
	15,665,744,986	12,508,017,766	13,222,565,402
Current assets			
Trade and other receivables	238,423,027	248,593,852	251,924,055
Amounts due from related parties	4,872,381,942	3,321,587,150	5,183,549,885
Other current assets	52,669,422	30,638,105	45,288,342
Short term investments	1,472,694,112	1,471,024,916	2,110,363,247
Cash in hand and at bank	96,115,307	122,681,886	105,683,489
	6,732,283,810	5,194,525,909	7,696,809,018
Total assets	22,398,028,796	17,702,543,675	20,919,374,420
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	5,089,000,000	5,089,000,000	5,089,000,000
Revenue reserves	2,023,149,797	178,818,911	1,373,222,372
Total equity	7,112,149,797	5,267,818,911	6,462,222,372
Non-current liabilities			
Interest bearing borrowings	5,754,019,480	5,880,469,411	4,533,628,353
Deferred tax liabilities	22,689,470	-	22,689,470
Employee benefit liabilities	45,543,062	32,316,032	43,389,551
Other non-current financial liabilities	165,000,000	165,000,000	165,000,000
	5,987,252,012	6,077,785,443	4,764,707,374
Current liabilities			
Trade and other payables	65,851,834	56,132,675	31,361,772
Amounts due to related parties	264,982,951	32,049,520	270,683,835
Income tax liabilities	49,162,162	-	36,662,162
Other current financial liabilities	5,935,790,963	4,701,451,337	6,727,193,704
Current portion of interest bearing borrowings	2,744,663,069	1,536,325,082	2,354,816,617
Other current liabilities	35,291,532	16,072,891	30,333,590
Bank overdrafts	202,884,476	14,907,816	241,392,994
	9,298,626,987	6,356,939,321	9,692,444,674
Total equity and liabilities	22,398,028,796	17,702,543,675	20,919,374,420

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-

Director

-sgd-

Director

15 August 2016
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CASH FLOW

In Rs.	Unaudited 3 months to 30-06-2016	Unaudited 3 months to 30-06-2015	Audited 12 months to 31-03-2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/ (loss) before tax	1,051,927,425	(165,844,313)	1,159,216,239
Adjustments for:			
Finance income	(182,458,210)	(74,836,596)	(359,796,925)
Dividend income	(247,508,764)	(1,176,257)	(1,169,827,933)
Finance costs	411,785,555	272,238,580	1,220,414,677
Change in fair value of investment property	-	-	(95,383,063)
Gratuity provision and related costs	2,215,881	1,786,302	6,988,842
Provision for impairment of receivables	16,666,666	4,166,666	-
Provision for assets held-for-sale	(12,330,864)	-	-
Provisions for/ write off of impaired investments	54,008,330	-	91,737,770
Depreciation of property, plant and equipment	6,493,391	4,728,973	21,199,039
Profit on sale of property, plant and equipment	(2,832,440)	(1,230,740)	63,245
Profit on sale of investments	(1,097,248,468)	-	(700,929,730)
Amortisation / impairment of intangible assets	932,307	384,347	2,346,643
Impairment & derecognition of property, plant & equipment	-	30,637	142,878
Profit before working capital changes	1,650,809	40,247,599	176,171,682
(Increase) / decrease in trade and other receivable	(3,165,638)	(11,035,927)	(10,199,464)
(Increase) / decrease in other current assets	(7,381,080)	(10,341,900)	(23,564,241)
(Increase) / decrease in amount due from related parties	(760,821,001)	(1,026,520,721)	(2,893,042,004)
Increase / (decrease) in trade and other payables	34,490,059	26,601,325	26,354,760
Increase / (decrease) in amount due to related parties	(5,700,884)	(460,871,446)	122,678,201
Increase / (decrease) in other current liabilities	4,957,942	(7,936,447)	6,324,253
Cash generated from / (used in) operations	(735,969,793)	(1,449,857,517)	(2,595,276,813)
Finance income received	182,458,210	75,020,057	370,641,133
Finance expenses paid	(410,090,039)	(261,098,912)	(1,209,603,618)
Dividend received	247,508,764	1,176,257	169,648,939
Tax paid	-	(572,104)	-
Gratuity paid/ transfers	(62,370)	(140,000)	(1,505,761)
Net cash flow from / (used in) operating activities	(716,155,228)	(1,635,472,219)	(3,266,096,120)
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(551,669)	(1,355,442)	(10,902,646)
Addition to investment property	(654,629)	-	(8,475,551)
Addition to intangible assets	-	-	(3,133,957)
(Purchase) / disposal of other non current financial assets	(317,453,797)	-	808,990,523
Increase in interest in subsidiaries	(1,161,810,112)	(5,545,633)	(1,838,945,320)
Proceeds from disposal of controlling interest	1,153,205,820	-	1,979,727,343
Proceeds from sale of property, plant and equipment	7,279,769	6,979,111	18,758,978
Net cash flow from/ (used in) investing activities	(319,984,618)	78,036	946,019,370
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	1,933,060,000	903,372,190	2,524,765,770
Repayment of long term borrowings	(337,077,077)	(1,634,500,620)	(3,845,522,243)
Proceeds from / (repayment of) short term borrowings (net)	(791,402,741)	509,852,569	2,535,594,936
(Increase) / decrease in other non-current financial liabilities	-	-	(344,915,332)
Dividend paid to equity holders of parent	(389,500,000)	(194,750,000)	(194,750,000)
Net cash flow from/ (used in) financing activities	415,080,182	(416,025,861)	675,173,131
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(621,059,664)	(2,051,420,044)	(1,644,903,619)
CASH AND CASH EQUIVALENTS AT THE BEGINNING	514,290,495	2,159,194,114	2,159,194,114
CASH AND CASH EQUIVALENTS AT THE END	(106,769,169)	107,774,070	514,290,495
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	96,115,307	122,681,886	105,683,489
Short term investments	-	-	650,000,000
Unfavourable balances			
Bank overdrafts	(202,884,476)	(14,907,816)	(241,392,994)
Cash and cash equivalents	(106,769,169)	107,774,070	514,290,495

Note : Figures in brackets indicate deductions.

The above figures are not audited unless otherwise stated.

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs.	Stated capital	Revenue reserve	Total
As at 01 April 2016	5,089,000,000	1,373,222,372	6,462,222,372
Profit for the period	-	1,039,427,425	1,039,427,425
Total comprehensive income	-	1,039,427,425	1,039,427,425
Dividend paid	-	(389,500,000)	(389,500,000)
As at 30 June 2016	5,089,000,000	2,023,149,797	7,112,149,797
As at 01 April 2015	5,089,000,000	541,413,224	5,630,413,224
Loss for the period	-	(167,844,313)	(167,844,313)
Total comprehensive income	-	(167,844,313)	(167,844,313)
Dividend paid	-	(194,750,000)	(194,750,000)
As at 30 June 2015	5,089,000,000	178,818,911	5,267,818,911

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

REVENUE AND PROFIT For the three months ended 30 June	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue																
Total revenue	4,726,527,899	4,018,204,670	199,103,547	168,014,418	4,925,972,091	4,508,941,659	467,490,176	308,017,782	2,574,975,293	2,214,253,448	2,420,897,782	2,313,788,051	163,145,181	152,090,200	15,478,111,969	13,683,310,228
Inter group	(206,710,043)	(240,326,724)	(39,593,658)	(37,014,656)	(180,105,664)	(154,437,304)	(86,455,170)	(11,191,579)	(40,994,713)	(54,209,283)	-	-	(158,672,316)	(148,600,661)	(712,441,564)	(645,780,207)
Total external revenue	4,519,817,856	3,777,877,946	159,599,889	130,999,762	4,745,866,427	4,354,504,355	381,035,006	296,826,203	2,533,980,580	2,160,044,165	2,420,897,782	2,313,788,051	4,472,865	3,489,539	14,765,670,405	13,037,530,021
Operating profit/ (loss)	260,908,828	256,067,515	(26,846,209)	(47,235,163)	427,974,227	357,076,831	9,591,889	1,778,838	217,693,004	330,699,743	428,308,623	521,689,039	(44,997,029)	11,879,566	1,272,633,333	1,431,956,369
Finance income	4,024,900	3,886,907	1,812,177	1,006,807	14,244,590	25,826,123	25,521	62,692	153,766,404	252,875,954	6,302,869	16,232,832	4,162,557	1,166,685	184,339,018	301,058,000
Finance cost	(87,806,878)	(82,682,412)	(33,885,822)	(37,945,663)	(293,745,012)	(272,044,413)	(29,640,403)	(19,725,366)	(24,449,716)	(34,646,467)	(185,804,105)	(137,261,462)	(245,736,506)	(221,593,159)	(901,068,442)	(805,898,942)
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(30,783,992)	(459,156,384)	-	-	-	-	(30,783,992)	(459,156,384)
Share of results of associates	-	-	-	-	-	-	-	-	-	-	-	-	7,994,111	2,971,378	7,994,111	2,971,378
Profit/ (loss) before taxation	177,126,850	177,272,010	(58,919,854)	(84,174,019)	148,473,805	110,858,541	(20,022,993)	(17,883,836)	316,225,700	89,772,846	248,807,387	400,660,409	(278,576,867)	(205,575,530)	533,114,028	470,930,421
Taxation	(49,535,373)	(45,916,098)	(759,669)	(2,033,963)	(55,007,448)	(32,029,971)	-	(4,297,297)	(35,612,267)	(23,918,337)	47,206,571	(55,573,740)	(11,004,400)	(2,948,981)	(104,712,586)	(166,718,387)
Profit/ (loss) after taxation	127,591,477	131,355,912	(59,679,523)	(86,207,982)	93,466,357	78,828,570	(20,022,993)	(22,181,133)	280,613,433	65,854,509	296,013,958	345,086,669	(289,581,267)	(208,524,511)	428,401,442	304,212,034
Depreciation of property, plant & equipment (PPE)	17,903,091	16,353,691	44,710,571	42,974,267	90,487,076	74,406,372	20,481,558	9,008,816	35,933,975	35,897,445	185,597,440	172,062,807	6,555,200	4,786,830	401,668,911	355,490,228
Amortisation of lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	259,233	259,233	-	-	259,233	259,233
Amortisation of intangible assets	15,763,994	4,690,493	3,775,058	11,927,317	15,020,917	14,555,810	-	-	37,099,854	34,972,034	2,130,469	2,130,469	932,307	384,347	74,722,598	68,660,470
Retirement benefit obligations and related cost	5,393,422	4,827,268	1,510,590	1,852,000	8,730,982	4,472,605	559,703	502,794	6,169,760	5,583,634	14,888,483	16,167,272	2,241,648	1,786,302	39,494,587	35,191,875
Purchase and construction of PPE	5,151,882	1,536,420	675,905,163	375,966,860	122,976,844	587,968,126	13,087,067	9,691,237	72,997,103	60,417,750	399,202,902	180,548,970	8,416,169	1,397,790	1,297,737,130	1,217,527,153
Additions to intangible assets	10,811,268	1,877,667	-	129,312	16,758,269	9,431,561	-	-	1,106,289	5,319,236	-	-	-	-	28,675,827	16,757,776

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

As at 30 June	Information Technology		Leisure		Retail		Auto Mobiles		Financial Services		Healthcare Services		Others		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Property, plant and equipment	203,572,467	212,239,315	9,048,442,153	6,612,175,536	6,299,628,146	5,138,429,393	348,509,532	379,953,844	901,073,405	822,042,332	12,451,710,113	10,788,280,355	129,485,551	108,532,527	29,382,421,367	24,061,653,301
Lease rentals paid in advance	-	-	-	-	-	-	-	-	-	-	853,499,739	854,536,668	-	-	853,499,739	854,536,668
Investment property	217,620,000	233,000,000	1,991,480,000	1,045,292,349	83,400,000	94,848,000	-	-	-	-	-	-	547,154,629	442,641,387	2,839,654,629	1,815,781,736
Intangible assets	206,541,139	169,674,683	5,383,255	455,784	371,064,567	383,446,510	-	-	81,167,875	72,370,494	-	-	1,578,515	1,339,161	665,735,351	627,286,631
Other non current financial assets	5,035,420	5,578,028	-	-	378,997,746	2,934,859	-	1,500,000	12,417,455,031	11,739,338,525	408,590,082	628,544,889	2,500,000	2,527,740	13,212,578,279	12,380,424,041
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	265,942,834	1,571,696,204	-	-	-	-	265,942,834	1,571,696,204
Other non current assets	22,211,043	13,476,241	16,966,193	10,483,973	192,326,631	150,434,859	3,827,169	2,327,169	150,793,107	110,722,945	6,083,335	7,083,335	48,423,050	-	440,630,528	294,528,522
Segment non current assets	654,980,069	633,968,267	11,062,271,601	7,668,407,642	7,325,417,090	5,770,093,621	352,336,701	383,781,012	13,816,432,252	14,316,170,500	13,719,883,269	12,278,445,247	729,141,745	555,040,814	47,660,462,727	41,605,907,102
Investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68,235,448	28,355,498
Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,115,823,525	4,115,823,525
Intangible assets through business combinations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,873,472,950	4,061,991,022
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	349,929,886	294,316,155
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(31,352,820)	(6,941,089)
Total non current assets	654,980,069	633,968,267	11,062,271,601	7,668,407,642	7,325,417,090	5,770,093,621	352,336,701	383,781,012	13,816,432,252	14,316,170,500	13,719,883,269	12,278,445,247	729,141,745	555,040,814	56,036,571,716	50,038,452,214
Inventories	1,468,235,478	1,006,703,667	38,597,662	17,914,947	5,117,519,387	4,838,911,053	785,165,923	334,725,683	467,336,269	597,224,749	474,036,361	395,671,319	-	-	8,350,891,080	7,191,151,418
Investment property	-	-	-	-	-	-	-	-	-	-	-	2,898,000,000	-	-	-	2,898,000,000
Trade and other receivables	3,090,926,173	2,490,302,237	60,366,972	51,409,893	4,619,080,746	3,807,734,596	154,837,063	135,871,317	1,356,807,629	1,092,063,044	564,690,516	798,340,895	9,927,343	9,331,192	9,856,636,442	8,385,053,174
Loans and advances	-	-	-	-	-	-	-	-	11,366,959,896	8,630,491,928	-	-	-	-	11,366,959,896	8,630,491,928
Rental receivable on lease assets and hire purchase	-	-	-	-	-	-	-	-	833,071,307	668,525,590	-	-	-	-	833,071,307	668,525,590
Other current assets	389,270,954	521,199,326	273,176,069	226,910,956	913,655,337	1,199,354,482	92,088,693	438,393,222	924,753,134	1,478,011,376	643,232,555	116,425,306	52,705,560	30,667,055	3,288,882,302	4,010,961,724
Short term investments	13,276,661	12,674,760	315,221	332,460	24,829,109	22,381,738	-	-	5,015,462,113	4,720,483,065	228,000,000	-	131,941,130	132,427,345	5,413,824,234	4,888,299,368
Cash in hand and at bank	396,708,742	154,596,983	353,265,922	276,037,005	295,834,026	701,522,848	10,024,364	45,656,562	1,185,494,138	804,484,511	241,913,312	1,417,349,343	100,686,186	123,744,978	2,583,926,690	3,523,392,229
Segment current assets	5,358,418,008	4,185,476,973	725,721,846	572,605,260	10,970,918,605	10,569,904,716	1,042,116,043	954,646,785	21,149,884,486	17,991,284,263	2,151,872,744	5,425,786,863	295,260,219	296,170,570	41,694,191,951	39,995,875,431
Amounts due from related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	799,007	696,945
Total current assets	5,358,418,008	4,185,476,973	725,721,846	572,605,260	10,970,918,605	10,569,904,716	1,042,116,043	954,646,785	21,149,884,486	17,991,284,263	2,151,872,744	5,425,786,863	295,260,219	296,170,570	41,694,990,958	39,996,572,376
Total assets															97,731,562,674	90,035,024,590
Insurance contract liabilities	-	-	-	-	-	-	-	-	6,188,984,169	5,588,428,721	-	-	-	-	6,188,984,169	5,588,428,721
Interest bearing borrowings	20,000,000	96,163,063	5,454,137,278	3,599,280,601	2,602,733,359	4,245,260,178	100,794,900	137,434,974	3,275,401,213	3,182,103,429	6,436,386,340	6,728,870,964	5,754,019,480	5,859,385,470	23,643,472,570	23,848,498,679
Public deposits	-	-	-	-	-	-	-	-	1,597,001,705	2,281,214,069	-	-	-	-	1,597,001,705	2,281,214,069
Employee benefit liabilities	102,079,989	100,347,242	11,270,323	10,469,424	103,424,521	101,891,094	4,647,323	4,645,353	89,625,427	75,035,411	363,595,040	354,844,832	46,046,825	32,855,111	720,689,448	680,088,466
Other deferred liabilities	2,745,851	902,116	-	-	494,792	-	-	-	-	-	-	-	-	-	3,240,643	902,116
Other non current financial liabilities	47,667,888	17,950,268	-	-	-	-	-	-	-	6,260,352	-	-	-	-	47,667,888	24,210,620
Segment non current liabilities	172,493,728	215,362,689	5,465,407,601	3,609,750,025	2,706,652,672	4,347,151,272	105,442,223	142,080,326	11,151,012,514	11,133,041,981	6,799,981,380	7,083,715,796	5,800,066,305	5,892,240,581	32,201,056,423	32,423,342,671
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	373,913,423	325,155,160
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(208,317,714)	(208,317,714)
Total non current liabilities	172,493,728	215,362,689	5,465,407,601	3,609,750,025	2,706,652,672	4,347,151,272	105,442,223	142,080,326	11,151,012,514	11,133,041,981	6,799,981,380	7,083,715,796	5,800,066,305	5,892,240,581	32,574,969,846	32,540,180,117
Trade and other payables	2,374,497,411	1,691,719,367	236,431,856	249,499,994	1,108,545,551	1,674,486,127	6,532,647	28,515,361	2,422,746,261	2,807,525,636	767,949,274	697,983,562	64,112,380	55,435,865	6,980,815,380	7,205,165,913
Other current financial liabilities	2,251,462,984	2,444,150,200	32,002,481	30,425,953	7,263,693,674	6,493,746,547	573,752,611	423,032,695	1,382,057,790	3,172,304,094	202,701,000	-	5,935,790,963	4,701,451,337	17,641,461,503	17,265,110,826
Current portion of interest bearing borrowings	68,102,893	83,657,939	521,898,182	81,930,140	2,921,708,171	390,964,496	28,285,845	29,198,967	1,197,619,272	454,296,167	945,930,094	1,048,842,413	2,744,663,069	1,557,409,024	8,428,207,526	3,646,299,146
Other current liabilities	516,980,205	281,456,697	71,192,168	9,764,238	182,902,879	235,819,146	7,601,722	58,390,117	392,195,679	340,180,057	105,190,645	1,235,521,784	35,481,689	16,072,891	1,311,544,928	2,177,204,928
Public deposits	-	-	-	-	-	-	-	-	13,553,999,322	10,706,524,074	-	-	-	-	13,553,999,322	10,706,524,074
Bank overdrafts	83,893,235	31,372,988	82,074,138	29,422,845	650,030,331	521,267,735	32,882,173	58,920,403	1,681,691,740	653,560,011	1,029,466,831	594,636,122	202,884,476	14,907,816	3,762,922,924	1,904,087,921
Segment current liabilities	5,294,936,728	4,532,357,191	943,598,825	401,043,171	12,126,880,606	9,316,284,052	649,054,998	598,057,543	20,630,310,064	18,134,390,039	3,051,237,844	3,576,983,881	8,982,932,577	6,345,276,932	51,678,951,642	42,904,392,809
Income tax liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	456,702,781	397,594,970
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,821,758	16,124,463
Eliminations/ adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,112,444,478)	(1,914,330,184)
Total current liabilities	5,294,936,728	4,532,357,191	943,598,825	401,043,171	12,126,880,606	9,316,284,052	649,054,998	598,057,543	20,630,310,064	18,134,390,039	3,051,237,844	3,576,983,881	8,982,932,577	6,345,276,932	48,042,031,703	41,403,782,058
Total liabilities															80,617,001,549	73,943,962,175
Total segment assets	6,013,398,077	4,819,445,240	11,787,993,447	8,241,012,902	18,296,335,695	16,339,998,338	1,394,452,744	1,338,427,797	34,966,316,738	32,307,454,763	15,871,756,013	17,704,232,110	1,024,401,964	851,211,384	89,354,654,678	81,601,782,533
Total segment liabilities	5,467,430,456	4,747,719,880	6,409,006,426	4,010,793,196	14,833,533,278	13,663,435,324	754,497,221	740,137,869	31,781,322,578	29,267,432,021	9,851,219,224	10,660,699,677	14,782,998,882	12,237,517,5		

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The interim financial statements of the Group and the Company for the three months ended 30 June 2016 were authorised for issue by the Board of directors on 15 August 2016.

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 2016.

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.

3. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

The results of Asian Alliance Insurance PLC's life business segment is consolidated line by line into the Group's consolidated income statement. The change in life insurance contract liabilities represents the difference between all income and expenditure attributable to life policy holders during the period.

4. SHARE INFORMATION

4.1 Public share holdings

The percentage of shares held by the public as at 30 June 2016 was 28.27% (number of public shareholders - 13,440)

4.2 Directors' share holdings

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

As at	30-06-2016
A K Pathirage - Chairman/ Managing Director	364,715,322
G W D H U Gunawardena	57,527,300
R J Perera	60,836,700
H K Kaimal	64,870,800
M P R Rasool	Nil
Dr S Sellai	2,000,000
W M P L De Alwis, PC	Nil
G L H Premaratne	Nil
R A Ebell	Nil
	<u>549,950,122</u>

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-06-2016	%
1 Mr. A K Pthirage	325,765,322	41.82
2 Mr. H K Kaimal	64,870,800	8.33
3 Mr. R J Perera	60,836,700	7.81
4 Mr. G W D H U Gunawardena	57,527,300	7.38
5 Pemberton Asian Opportunities Fund	46,000,000	5.91
6 Commercial Bank of Ceylon PLC/ A K Pathirage	38,950,000	5.00
7 Rubber Investment Trust Ltd - A/C 01	9,701,117	1.25
8 Employees Provident Fund	7,230,500	0.93
9 Bank of Ceylon A/C Ceybank Unit Trust	5,110,575	0.66
10 Asian Alliance Insurance PLC - A/C 02 (Life Fund)	4,591,702	0.59
11 Mrs. A Selliah	4,236,000	0.54
13 Arunodhaya Investments (Private) Limited	3,950,000	0.51
14 Arunodhaya Industries (Private) Limited	3,950,000	0.51
15 Arunodhaya (Private) Limited	3,950,000	0.51
17 Miss. S Subramaniam	3,800,000	0.49
18 Mr. V Kailasapillai	3,800,000	0.49
19 Mrs. A Kailasapillai	3,800,000	0.49
19 Ceylon Investment PLC - A/C 01	3,671,578	0.47
20 Mr. K Aravinthan	3,500,000	0.45

5. STATED CAPITAL MOVEMENTS

5.1 No of shares

	No of shares
As at 01 April 2016	779,000,000
As at 30 June 2016	779,000,000

5.2 Value of shares

	Rs
As at 01 April 2016	5,089,000,000
As at 30 June 2016	5,089,000,000

6. INVESTOR INFORMATION

6.1 Market value of shares

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

	30-06-2016
Closing price on (Rs.)	12.90
Highest price recorded for the three months ending (Rs.)	15.50
Lowest price recorded for the three months ending (Rs.)	12.80
Market Capitalisation (Rs. mn)	10,049.10

6.2 Ratios

Net assets per share at the period end (Rs.)	11.82
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6.3 Share trading information from 01 April 2015 to 30 June 2015

Number of shares traded	7,926,270
Value of shares traded (Rs.)	116,599,659

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

7. LISTED DEBENTURES

7.1 Details regarding the listed debentures are as follows;

10,000,000 rated unsecured redeemable debentures at the face value of Rs. 100.00 each with an annual effective interest rate of 16.70% were issued on 09 September 2013 which will be matured on 09 September 2016.

Interest rate of comparable Government Securities as at 30 June, 2016 - 9.83% (net of tax)

7.2 Ratios

30-06-2016

Debt/ equity ratio	2.90
Quick asset ratio	0.70
Interest cover	2.40

7.3 Debenture trading information from 01 April 2016 to 30 June 2016

30-06-2016

Closing price on	104.45
Highest price recorded for the three months ending	104.45
Lowest price recorded for the three months ending	104.45
Interest Yield (%)	15.08
Year to maturity of trade (%)	15.00

Debentures were only traded once during the period from 01 April 2016 to 30 June 2016.

8. CONTINGENCIES

CONTINGENT LIABILITIES

There were no significant contingent liabilities as at the date of the statement of financial position other than those disclosed below, which require adjustments to or disclosures in the financial statements.

8.1 Softlogic Holdings PLC

Softlogic Holdings PLC received an income tax assessments from The Department of Inland Revenue for the years of assessment 2009/10 and 2010/11. The company has lodged an appeal against the said assessment and The Department of Inland Revenue has issued their determination. The Management and the tax consultants has submitted an appeal to the Tax Appeal Commission on that determination.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

8.2 Asian Alliance Insurance PLC

VAT Assessments were received by Asian Alliance Insurance PLC in October 2011 and April 2013 in relation to taxable periods ended 31 December 2009 and 31 December 2010 amounting to Rs. 9.60 mn and Rs. 52.30 mn respectively.

The Company has filed an appeal in November 2011 on the basis that the underlying computation includes items which are exempt /out of scope of the Value Added Tax Act. The Commissioner General of Inland Revenue has determined the assessment and the Company has appealed to the Tax Appeals Commission and awaiting the final decision.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingency is unlikely to have a material adverse effect on the company or on the group.

8.3 Odel PLC

Odel PLC received an income tax assessment from The Department of Inland Revenue for the year of assessment 2009/10 amounting to Rs. 16.02 mn.

The company has lodged appeal against the said assessment and The Department of Inland Revenue has issued their determination. The Management and the tax consultants have submitted appeal to the Tax Appeal Commission on that determination.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

8.4 Odel Properties (Pvt) Ltd

Odel Properties (Pvt) Ltd received an income tax assessments from The Department of Inland Revenue for the years of assessment 2011/12 and 2012/13 amounting to Rs. 10.50 mn. The company has lodged appeals against the said assessments.

Based on the information available and the advice of the tax consultants, the Directors are confident that the ultimate resolution of the above contingencies is unlikely to have a material adverse effect on the respective companies or on the group.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

9. CAPITAL COMMITMENTS

As at 30 June 2016, the group had capital commitments contracted but not provided in the financial statements amounting to Rs. 5,490. mn (30 June 2015 - 4,259 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 followings.

10.1 Sale of shares - Asian Alliance General Insurance Ltd

The directors of Asian Alliance Insurance PLC, a subsidiary of Softlogic Holdings PLC announced that on 24th June 2016, the company entered into a Share Sales and Purchase Agreement for the sale of entire stake in Asian Alliance General Insurance Ltd to Fairfax Asia Ltd or another nominated member of the Fairfax Group. The purchase price for the said shares is Rs. 1,266,500,000/- which is a value equivalent to 1.7 times the net book value of Asian Alliance General Insurance Ltd.

The closing of the aforesaid transaction is conditional on the completion of certain customary matters including approvals by the respective boards of directors and shareholders, regulatory approvals and other necessary third party approvals (as required) and Fairfax Asia (or another nominated member of the Fairfax Group) entering into an exclusive general insurance distribution agreement with Softlogic Holdings PLC.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY TRANSACTIONS

10.1 Transactions with related parties

In Rs.	Group		Company	
	3 months to 30-06-2016	3 months to 30-06-2015	3 months to 30-06-2016	3 months to 30-06-2015
Subsidiaries				
(Purchases) / sales of goods	-	-	(13,720,891)	(8,903,205)
(Receiving) / rendering of services	-	-	136,744,910	144,232,360
(Purchases) / sale of property plant & equipment	-	-	(360,000)	(803,271)
Loans given / (obtained)	-	-	442,307,238	634,364,180
Interest received / (paid)	-	-	123,007,091	31,898,038
Rent received / (paid)	-	-	12,515,406	10,645,496
Dividend received	-	-	247,508,764	1,176,257
Profit on disposal of shares	-	-	1,097,248,468	-
Guarantee charges received	-	-	35,079,386	28,072,323
Guarantees given / (obtained)	-	-	20,166,600,000	17,718,700,000
Associates				
(Purchases) / sale of property plant & equipment	116,584	694,371	-	-
(Receiving) / rendering of services	(729,225)	1,377,032	1,787,754	3,202,040
Key management personnel				
(Receiving) / rendering of services	-	-	-	-
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 in the ordinary course of the business. 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

Contact Details

14, De Fonseka Place,
Colombo 05
Sri Lanka
Tel : +94 11 5575 000
Fax : +94 11 2595 441
E-mail : info@softlogic.lk
Web : www.softlogic.lk

Directors

A K Pathirage - Chairman/ Managing Director
Dr S Selliah
G L H Premaratne
G W D H U Gunawardena
H K Kaimal
M P R Rasool
Prof. A S Dharmasiri - w.e.f 01 July 2016
R A Ebell
R J Perera
W M P L De Alwis, PC

Audit Committee

R A Ebell - Chairman
Dr S Selliah
W M P L De Alwis, PC

Remuneration Committee

W M P L De Alwis - Chairman
G L H Premaratne
R A Ebell

Related Party Transaction Committee

Dr S Selliah - Chairman
H K Kaimal
W M P L De Alwis, PC

Secretaries and Registrars

Softlogic Corporate Services (Pvt) Ltd
14, De Fonseka Place,
Colombo 05
Sri Lanka
Tel : +94 11 5575 000
Fax : +94 11 2595 441

Investor Relations

Softlogic Holdings PLC
14, De Fonseka Place,
Colombo 05
Sri Lanka
Tel : +94 11 5575 176
E-mail : investorrelations@softlogic.lk

Contact for Media

Softlogic Holdings PLC
14, De Fonseka Place,
Colombo 05
Sri Lanka
Tel : +94 11 5575 000
Fax : +94 11 2595 441

Bankers

Bank of Ceylon
Cargills Bank Ltd
Commercial Bank of Ceylon PLC
Deutsche Bank AG, Colombo
DFCC Bank PLC
Hatton National Bank PLC
Hongkong & Shanghai Banking Corporation
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