



SOFTLOGIC HOLDINGS PLC

INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
30 JUNE 2021

Dear Shareholders,

The Group delivered robust business performance in 1QFY22 with our people being the central force in achieving a consolidated topline of Rs. 24.5 Bn, up 73% (1QFY21 - Rs. 14.2 Bn). Quarterly operating profit was Rs. 2.3 Bn (operating loss of Rs.593 Mn in 1QFY21). Operational expenses rose 9% to Rs. 5.1 Bn. Distribution and Administration expenses increased 41% and 5% to Rs. 805 Mn and Rs. 4.3 Bn respectively in 1QFY22 as a result of the increased investment in safety equipment as well as continued capital expansions in the retail sector.

EBITDA

The Group achieved an EBITDA of Rs. 3.2 Bn for the quarter (Rs. 303 Mn in 1QFY21) with an EBITDA margin of 13%.

These results were achieved against the backdrop of so many external challenges. Yet, the Group's performance fortuitously rebounded to unlock market potential in terms of unprecedented revenue growth despite the massive human challenges faced by consumers culminating in successive lockdowns amidst a more virulent pandemic tearing through cities and towns.

The shortage of US Dollar liquidity in the market hampering opening LCs at the most opportune time, the complexities of re-pricing goods and services in a volatile FOREX market, the increasing uncertainty accompanied by deficit purchasing power due to the toll of pandemic-related-economic consequences and rising cost-push inflation were major setbacks for the economy as a whole.

While the pandemic has crippled many industries and companies, our core business verticals have demonstrated that being in the right economic sectors have played a redeeming role under the most trying circumstances.

With 'Asiri Health' delivering life-saving measures to patients from its dedicated medical staff primed to serve the Nation, our Healthcare sector performed at near-optimal levels notwithstanding demanding times pushing the limits of human endurance.

Similarly, Retail sector reported strong revenue turnaround during the quarter aided by the demand for electronics, mobile phones and

computers due to the continuing homeschooling and homeworking rules being imposed while the financial services sector continued a steady climb amidst greater concerns of uncertainty with the pandemic taking predominance in most people's mind, where they are looking for safety-nets to protect their families, their health and their lifestyles. The non-core verticals – the leisure sector, remained subdued, but it will see a gradual return to normalcy when the pandemic recedes - while automobiles focused primarily on the much-needed ambulance business.

The top contributors to Group revenue were Retail (55%), Healthcare Services (20%) and Financial Services (19%) while IT sector made up 5% of Group topline. Gross Profit improved 87% to Rs. 7.2 Bn during the quarter. A GP margin improvement was evident during the quarter from 27.3% in 1QFY21 to 29.6% in 1QFY22 stemming from cost optimization and repricing measures to meet new demand. Import restrictions and LKR-depreciation and liquidity in local foreign exchange market led to supply side challenges. Commercial banks have restricted opening of LCs for imports given macro-economic debt repayment obligations of CBSL temporarily distorting the market.

Other operating income, which comprises fee & commission income mainly arising from the financial services sectors, declined 32% to Rs. 139 Mn during the quarter due to lockdowns. Finance income, which primarily composes of the investment gains at Softlogic Life Insurance, witnessed a decrease of 20% to Rs. 687 Mn during the quarter. Net finance costs declined 28% to Rs. 1.1 Bn for the quarter where a lagged effect of the interest rate sterilization was witnessed thus ensuring savings accruing from borrowings. AWPLR was maintained in the 5.7% levels during the quarter while a progressive slippage in AWPLR from 9.35% in April 2020 to 5.67% in April 2021 was noted.

In the circumstances, the decline in interest rates impacted insurance contract liabilities which saw to actuarial shortfalls. The quarter witnessed a transfer of Rs. 977 Mn in comparison to Rs. 713 Mn transfer during the comparative quarter.

Quarterly PBT recorded an increase to Rs. 163 Mn (loss of Rs. 2.9 Bn reported in 1QFY21).

Retail

Sector topline reached Rs. 13.5 Bn for the quarter (up 78%). Sector operating profit for the quarter was Rs. 433 Mn as opposed to an operating loss of Rs.36 Mn in 1QFY21. Quarterly sector EBITDA was Rs. 750 Mn (up 194%).

The lockdown reimposed this quarter consequent to the new delta variant has affected ODEL and Softlogic Brands performance where closure of business for a few weeks adversely affected consumer sentiments. The repositioning of intercity restrictions, and presently the low footfall are also not helping to upstage pent up demand which we witnessed during April 2021 given that COVID-19 fears are re-emerging as a potential red flag.

Group took decisive actions to focus on a strong digital platform in the current context, with a strategic shift to see greater investment in these digital and social spaces. Day-to-day decisions became more data-driven with a clear focus on consumer insights and trends. Marketing funds were reallocated to promote omni-channel and as a result, our e-commerce business has continued to grow in the retail sector for branded apparel, consumer electronics, furniture, and groceries.

We will soon launch a unified Mobile Smart App – Softlogic One - where all Softlogic products and services would be offered to our consumers within access of one click of a button enabling instant payment options and a user-friendly retail experience.

It is heartening to note, April holiday sales, both in-store and online, remained strong throughout the pandemic.

Solid sales of smartphones, laptops, tablets and other electronic appliances used for communication and entertainment continued the uptrend with the prolonged need to work and study from home. Samsung continues to be a household brand of superior quality in Sri Lanka's smartphone industry.

Softlogic extended its reach in the luxury watch space as the first exclusive RADO flagship store was opened at One Galle Face in April.

The Consumer Electronics division operates 204 stores spread across a retail space of 355,000 sq.ft. We noticed a spike in demand for televisions, washers, refrigerators and fitness range during the quarter. The positive response of consumer demand for Softlogic's furniture range encouraged the opening of the second furniture factory which manufactures modular furniture to serve both Development Projects as well as direct consumers. The retail business will be focusing on 'The 5-pillar strategy' – portfolio diversification (increase product range/SKUs to increase share of consumer wallet), service excellence (reduce response time), people excellence, operational excellence, cost and value optimization. Having analyzed the competitive advantage in the import substitution industry and the country, we envisage entering the industry of local manufacturing of electronic appliances including washing machines, refrigerators and televisions.

Concept of hypermarket expansion would be pursued in upcoming periods to maximize synergy, cost optimization and enrichment of consumer loyalty in the retail sector.

Although travel restrictions affected supermarket sales, online and call orders emerged to be an active sales point. Softlogic Supermarkets opened its 10th Glomark outlet in Malalasekara Mawatha-Colombo 7 which has been widely applauded as a trendy supermarket by shoppers. We will open a Glomark in Negombo during 2QFY22.

With the restriction imposed on dine-ins in May, the restaurant business focused on delivery sales. With relaxation of travel restrictions in July, the marketing strategy to accept more call orders, a much stronger quarter ahead is envisaged. The second Popeyes restaurant along with a Baskin-Robbins ice cream parlour is to be opened in Bambalapitiya in September.

Healthcare Services

Asiri Group reported a topline of Rs. 4.8 Bn during 1QFY22, highest quarterly revenue recorded thus far. Sector revenue was dominated by Asiri Hospital Holdings, comprising Asiri Medical Hospital and Asiri Hospital Kandy, making up 38% while Central Hospital contributed 26% of sector revenue followed by a 24% contribution from Asiri Surgical Hospital. Asiri Hospital Galle and Matara added 10% to hospital group topline. Operating profit of the Asiri Health was Rs. 970 Mn during 1QFY22 (Rs. 39 Mn in 1QFY21) while sector's quarterly EBITDA reported over a two-fold increase to Rs. 1.3 Bn. Sector PAT recorded a phenomenal growth to Rs. 619 Mn during the quarter (Rs. 390 Mn loss recorded in 1QFY21).

Asiri Health would continue to have a strong trajectory as local hospitals are providing the much-needed hospital care and treatment to in-patients coupled with on-going antigen and PCR testing for out-patients. This will further ensure growth in the Healthcare sector given that COVID-19 will have a very gradual termination period.

Asiri Health staff are on the frontlines of COVID-19 that is spreading rapidly throughout the country. Our doctors, nurses, paramedics and other frontline teams continue to face enormous challenges to provide testing, care and treatment for everyone affected by the delta variant. Notwithstanding this, Asiri Health provides high quality intermediate care to COVID patients across regions including Colombo (Siddhalepa Anarva Hotel, Pegasus Reef Hotel), Kandy (Cinnamon Citadel) and Galle (Hikka Tranz), caring for over 800 patients at a given time. Additionally, COVID ICU facilities at Asiri Surgical, Central Hospital, Asiri Hospital Galle and Asiri Hospital Matara, care for patients who deteriorate at the Intermediate Care Centres.

Asiri Medical Hospital completed Phase-I of construction for the new IVF & Fertility Centre and will open to patient consultations in August. The Asiri Nova IVF & Fertility Centre is a technical collaboration with Nova IVF India, the second largest fertility treatment centre in India.

Asiri Surgical Hospital has also expanded its PCR laboratory to accommodate the growing need for COVID-19 PCR testing.

Central Hospital, the first private hospital to upgrade its Stem Cell Laboratory, has successfully treated its first patient as a result of this life saving facility.

Asiri Hospital Galle, will be ready for relaunch at the end of 2QFY22, having recently made good progress with the renovations to improve patient experience.

Asiri Hospital Kandy continues to show strong growth, firmly establishing its position as the most advanced private healthcare provider in the Central Province.

Financial Services

Financial Services witnessed a topline growth of 49% to Rs. 4.6 Bn during the quarter. Sector's quarterly operating profit was Rs. 961 Mn (1QFY21 reported a loss of Rs. 337 Mn). Sector PBT increased to Rs. 416 Mn as opposed to a loss of Rs. 454 Mn during the comparative quarter. Sector PAT reported a growth of 171% to Rs. 284 Mn during 1QFY22.

Softlogic Life achieved a Gross Written Premium (GWP) of Rs. 9.2 Bn for the first half of their financial year, growing 43% compared to an estimated industry growth of 30%.

With the uncertainty persisting, the insurance arm's life and medical covers are expected to grow further; but, while we are building a professional world-class sales team, customers are also finding ways to reach us owing to the strong brand positioning the Group enjoys in the market.

Softlogic Finance just concluded its second 5:6 rights issue in a new equity capital infusion of Rs. 2.2 Bn to address the core capital adequacy requirements of the company and has achieved significant progress with its new strategy.

Softlogic Invest, the asset management brand of the Group, also saw great traction with Assets Under Management now exceeding Rs. 30 Bn.

Information Technology

The IT business revenues registered a strong 89% growth to Rs. 1.3 Bn for the quarter. PBT recorded a 161% growth to Rs.122 Mn during the quarter. PAT for the quarter was Rs.100 Mn (Rs. 32 Mn in 1QFY21).

With more lockdowns being discussed by the Government Medical Officers, businesses have come to realise that having remote access and strong IT system geared for this purpose is unavoidable in the current context of upscaling their business needs. As such, we see a new trend emerging from SMEs which hitherto never made those investments previously.

Demand for PC hardware, software and peripherals have been on the rise in this pandemic era. Most companies have increased their tech budgets in recent times as they rely on contactless technologies that would help build customer engagement. Work from home solutions are also on the rise to maintain productivity levels from WFH employees. Such changes in infrastructure has also brought about a demand for cyber security solutions and a drive to modernize the data center.

We will continue to focus on strengthening our portfolio of solutions from "mouse to cloud" which has positioned ICT in a strong position in the market to cater to the increasing demand thus becoming the No. 1 provider of solutions to the modernisation of infrastructure solutions for businesses architecture.

Automobile

Sector revenue grew 54% for the quarter to Rs. 214 Mn.

The automobile industry has been struggling with the import ban which has lasted for over a year. This has affected our passenger vehicles sales as well as the motor bike sale. However, we were engaged in the supply of ambulances to the Sri Lankan Air Force during the quarter. We will engage in ambulance projects to the GOSL in the upcoming periods.

Our Service and Accident Repair Centre witnessed an increase in demand given the current need for reconditioned and vehicle maintenance.

Leisure & Property

Leisure & Property reported a topline of Rs. 94 Mn during the quarter.

Having obtained the 'Safe & Secure – Level 1' certification at Movenpick Hotel Colombo, the hotel exclusively operated for inbound travelers and tourists during the quarter. The restaurants and room business were closed for the local market to ensure overall guest and staff safety. Ceysand Resort's revenue was primarily driven by the travel bubble.

A gradual improvement in global travel and business will ensure an uptick in the leisure sectors which is closely correlated to the pandemic.

Future Outlook

The vaccine drive may speed up global recovery of the pandemic which will be gradual when the pandemic becomes endemic. The much-hyped economic reset is expected to usher in a prosperous period, which the Group has prepared itself for, in any event. A global upsurge in travel and business would see to a new wave of economic activity with unfettered expansion in some areas and industry consolidation in others. Thus, the three core verticals of the Group – Retail, Healthcare and Financial Services - are primed to meet this new emergence no sooner the normalizing of the business environment takes place. Having said that, market leaders are expected to play a pivotal role in reshaping the economic landscape to ensure that not only the economy falls back on track, but also, new solutions are made possible by creating demand for goods and services using online platforms. In this way, our forays into Retail and Healthcare expansion in the port city will continue to add mileage to our long-term value creation model. Furthermore, Group's focus on high-speed integrated customer data platforms will transform the retail landscape as it possesses an unrivalled customer database in the country, another compelling reason for unlocking returns on our portfolio of investments.

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Ashok Pathirage
Chairman
16 August 2021

Softlogic Holdings PLC

CONSOLIDATED INCOME STATEMENT

In Rs. '000	Un-audited 03 months to 30-06-2021	Un-audited 03 months to 30-06-2020	Change as a %	Un-audited 12 months to 31-03-2021
Continuing operations				
Revenue from contract with customers	19,883,082	11,091,688	79	65,148,832
Revenue from insurance contracts	3,981,568	2,521,892	58	15,066,694
Interest income	596,880	548,312	9	2,415,327
Total revenue	24,461,530	14,161,892	73	82,630,853
Cost of sales	(17,221,984)	(10,294,152)	67	(56,376,476)
Gross profit	7,239,546	3,867,740	87	26,254,377
Other operating income	138,994	203,129	(32)	756,558
Distribution expenses	(804,820)	(570,758)	41	(3,139,968)
Administrative expenses	(4,300,528)	(4,093,236)	5	(16,751,415)
Results from operating activities	2,273,192	(593,125)	(483)	7,119,552
Finance income	687,461	857,372	(20)	2,880,608
Finance expenses	(1,814,067)	(2,428,501)	(25)	(8,437,802)
Net finance cost	(1,126,606)	(1,571,129)	(28)	(5,557,194)
Change in fair value of investment property	-	-	-	92,000
Share of profit of equity accounted investees	(5,842)	(6,677)	(13)	(22,636)
Change in insurance contract liabilities	(977,377)	(712,842)	37	(4,111,061)
Profit/ (loss) before tax	163,367	(2,883,773)	(106)	(2,479,339)
Tax expense	(251,056)	18,682	(1,444)	(771,562)
Loss for the period	(87,689)	(2,865,091)	(97)	(3,250,901)
Attributable to:				
Equity holders of the parent	(617,784)	(2,484,236)	(75)	(4,394,325)
Non-controlling interest	530,095	(380,855)	(239)	1,143,424
	(87,689)	(2,865,091)	(97)	(3,250,901)
Earnings per share				
Basic	(0.52)	(2.08)	(75)	(3.68)

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 03 months to 30-06-2021	Un-audited 03 months to 30-06-2020	Change as a %	Un-audited 12 months to 31-03-2021
Profit for the period	(87,689)	(2,865,091)	(97)	(3,250,901)
Other comprehensive income				
Continuing operations				
Other comprehensive income to be reclassified to income statement in subsequent periods				
Currency translation of foreign operations	(102)	(11,729)	(99)	(33,383)
Net change in fair value on derivative financial instruments	(5,617)	168,592	(103)	(168,590)
Net income/ (loss) on financial instruments at fair value through other comprehensive income	(76,650)	262,688	(129)	162,543
Net other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods	(82,369)	419,551	(120)	(39,430)
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Revaluation of land and buildings	-	-	-	1,038,815
Re-measurement loss on employee benefit liabilities	-	-	-	(45,151)
Share of other comprehensive loss of equity accounted investments (net of tax)	-	-	-	287
Net income/ (loss) on equity instruments at fair value through other comprehensive income	14,729	(458,809)	(103)	(299,006)
Tax on other comprehensive income not to be reclassified to income statement in subsequent periods	-	-	-	639,600
Net other comprehensive income/ (loss) not to be reclassified to income statement in subsequent periods	14,729	(458,809)	(103)	1,334,545
Other comprehensive income from continuing operations for the period, net of tax	(67,640)	(39,258)	72	1,295,115
Total comprehensive income/ (loss) for the period, net of tax	(155,329)	(2,904,349)	(95)	(1,955,786)
Attributable to:				
Equity holders of the parent	(689,455)	(2,411,105)	(71)	(3,450,382)
Non-controlling interest	534,126	(493,244)	(208)	1,494,596
	(155,329)	(2,904,349)	(95)	(1,955,786)

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 30-06-2021	Un-audited as at 30-06-2020	Un-audited as at 31-03-2021
ASSETS			
Non-current assets			
Property, plant and equipment	53,215,990	51,654,030	53,513,530
Investment property	2,010,617	2,030,380	1,907,380
Right of use assets	5,841,729	6,411,542	5,999,784
Intangible assets	8,671,107	8,736,037	8,743,641
Investments in equity accounted investments	52,099	102,679	57,941
Non-current financial assets	21,964,450	15,902,945	20,962,958
Rental receivable on lease assets and hire purchase	5,249,530	1,125,127	4,596,942
Other non-current assets	5,698,794	4,991,386	5,486,518
Deferred tax assets	2,756,071	3,504,843	2,859,272
	105,460,387	94,458,969	104,127,966
Current assets			
Inventories	13,485,849	11,444,818	12,629,748
Trade and other receivables	13,329,265	13,132,519	12,692,212
Loans and advances	8,097,877	11,751,855	8,989,576
Rental receivable on lease assets and hire purchase	799,981	1,670,923	665,762
Amounts due from related parties	2,311	4,623	2,274
Other current assets	3,870,843	3,804,615	3,747,832
Short term investments	13,287,448	7,985,709	12,243,652
Cash in hand and at bank	10,946,949	4,435,904	7,460,441
	63,820,523	54,230,966	58,431,497
Total assets	169,280,910	148,689,935	162,559,463
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	(12,405,548)	(9,879,370)	(11,780,882)
Other components of equity	5,641,987	4,857,607	5,704,407
	5,355,674	7,097,472	6,042,760
Non-controlling interests	12,857,928	11,707,943	12,346,451
Total equity	18,213,602	18,805,415	18,389,211
Non-current liabilities			
Insurance contract liabilities	18,925,371	14,218,953	17,947,994
Interest bearing borrowings	36,709,071	32,359,538	37,862,975
Lease liabilities	3,929,264	4,142,825	3,991,675
Public deposits	2,687,805	4,696,339	3,020,961
Deferred tax liabilities	2,304,262	3,201,292	2,282,094
Employee benefit liabilities	1,622,905	1,412,708	1,595,206
Other deferred liabilities	11,427	34,563	3,604
Other non-current financial liabilities	528,483	544,469	832,106
	66,718,588	60,610,687	67,536,615
Current liabilities			
Trade and other payables	20,911,128	9,922,788	18,269,125
Amounts due to related parties	31,992	31,992	31,992
Income tax liabilities	141,730	252,429	99,870
Other current financial liabilities	28,200,277	26,441,566	26,522,360
Current portion of interest bearing borrowings	13,106,269	11,108,748	11,577,675
Current portion of lease liabilities	1,475,257	1,477,173	1,493,692
Other current liabilities	1,820,087	1,458,286	1,159,690
Public deposits	11,787,382	11,654,051	11,559,857
Bank overdrafts	6,874,598	6,926,800	5,919,376
	84,348,720	69,273,833	76,633,637
Total equity and liabilities	169,280,910	148,689,935	162,559,463

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

-sgd-

Group Finance Director

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

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Chairman

-sgd-

Director

16 August 2021

Colombo

Softlogic Holdings PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

In Rs. '000	Attributable to equity holders of parent										Non-controlling interest	Total equity
	Stated capital	Restricted regulatory reserve	Revaluation reserve	Foreign currency translation reserve	Fair value reserve of financial assets at FVOCI	Statutory reserve fund	Other reserves	Cash flow hedge reserve	Revenue reserve	Total		
As at 01 April 2021	12,119,235	309,613	7,678,977	(77,036)	(815,327)	263,436	(788,675)	(866,581)	(11,780,882)	6,042,760	12,346,451	18,389,211
Profit/ (loss) for the period	-	-	-	-	-	-	-	-	(617,784)	(617,784)	530,095	(87,689)
Other Comprehensive income/ (loss)	-	-	-	(102)	4,277	-	-	(76,586)	-	(72,411)	4,771	(67,640)
Transfer of realised gain/ (loss) of equity instruments at FVOCI	-	-	-	-	6,882	-	-	-	(6,882)	-	-	-
Total Comprehensive income/ (loss)	-	-	-	(102)	11,159	-	-	(76,586)	(624,666)	(690,195)	534,866	(155,329)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	3,109	-	-	3,109	(23,389)	(20,280)
As at 30 June 2021	12,119,235	309,613	7,678,977	(77,138)	(804,168)	263,436	(785,566)	(943,167)	(12,405,548)	5,355,674	12,857,928	18,213,602
As at 01 April 2020	12,119,235	309,613	6,464,774	(43,653)	(738,331)	263,436	(774,775)	(698,124)	(7,395,134)	9,507,041	12,218,723	21,725,764
Loss for the period	-	-	-	-	-	-	-	-	(2,484,236)	(2,484,236)	(380,855)	(2,865,091)
Other Comprehensive income/ (loss)	-	-	-	(11,729)	(83,590)	-	-	168,450	-	73,131	(112,389)	(39,258)
Total Comprehensive income/ (loss)	-	-	-	(11,729)	(83,590)	-	-	168,450	(2,484,236)	(2,411,105)	(493,244)	(2,904,349)
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	1,536	-	-	1,536	(2,836)	(1,300)
Subsidiary dividend to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(14,700)	(14,700)
As at 30 June 2020	12,119,235	309,613	6,464,774	(55,382)	(821,921)	263,436	(773,239)	(529,674)	(9,879,370)	7,097,472	11,707,943	18,805,415

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 03 months to 30-06-2021	Un-audited 03 months to 30-06-2020	Un-audited 12 months to 31-03-2021
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES			
Loss before tax from continuing operations	163,367	(2,883,773)	(2,479,339)
Adjustments for:			
Finance income	(687,462)	(857,373)	(2,880,608)
Finance cost	1,814,067	2,428,501	8,437,802
Change in fair value of investment property	-	-	(92,000)
Share of results of equity accounted investees	5,842	6,677	22,636
Gratuity provision and related cost	70,443	89,691	334,665
Provisions for/ write-off of impaired receivables	40,516	52,634	98,494
Provision for write-off of inventories	20,289	28,789	149,287
Provisions for/ write-off of loans and advances	82,781	180,111	413,703
Provisions for/ write-off of investments in lease and hire purchase	48,632	26,243	58,534
Depreciation of property, plant and equipment	850,379	824,404	3,330,264
(Profit)/ loss on sale of property, plant and equipment	(28,535)	229	(39,731)
(Profit)/ loss on sale of investments	6	(59)	(2,109)
Unrealised loss/ (gain) on foreign exchange	(32,221)	(103,970)	(57,120)
Amortisation/ impairment of intangible assets	71,114	71,402	294,238
Amortisation right of use assets	395,746	366,122	1,586,164
Profit before working capital changes	2,818,964	229,628	9,174,880
(Increase)/ decrease in inventories	(876,390)	961,157	(289,973)
Decrease in trade and other receivables	(890,934)	365,607	524,635
Decrease in loans and advances	1,061,691	48,577	2,666,211
Increase in investments in lease and hire purchase	(835,438)	(662,008)	(3,160,954)
(Increase)/ decrease in other current assets	(123,012)	17,448	66,410
Decrease in amounts due from related parties	(38)	46	2,396
Increase in trade and other payables	2,471,061	1,380,981	9,437,931
Decrease in amounts due to related parties	-	(413)	(413)
Increase/ (decrease) in other current liabilities	728,553	(30,404)	(358,135)
Decrease in deferred income	(60,331)	(30,755)	(33,379)
Increase/ (decrease) in public deposits	(105,630)	(666,051)	(2,435,624)
Increase in insurance contract liabilities	977,377	1,085,041	4,814,082
Cash generated from operations	5,165,873	2,698,854	20,408,067
Finance income received	581,897	367,113	1,821,220
Finance expenses paid	(1,597,528)	(1,638,091)	(6,545,466)
Tax paid	(85,873)	(118,384)	(642,351)
Gratuity paid	(42,743)	(46,569)	(158,953)
Net cash flow from operating activities	4,021,626	1,262,923	14,882,517
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(556,487)	(368,063)	(3,172,288)
Addition to intangible assets	(2,059)	(1,080)	(71,501)
Increase in other non-current assets	(212,276)	(130,065)	(546,635)
(Purchase)/ disposal of short term investments (net)	857,981	(1,143,870)	(1,795,283)
Dividends received	5,014	7,040	56,259
Purchase of non-current financial assets	(928,550)	(975,868)	(5,881,505)
Acquisition of business, net of cash acquired	-	-	(147,451)
Proceeds from sale of property, plant and equipment	31,444	22,936	125,539
Net cash flow used in investing activities	(804,933)	(2,588,970)	(11,432,865)

Softlogic Holdings PLC

CONSOLIDATED CASH FLOW STATEMENT

In Rs. '000	Un-audited 03 months to 30-06-2021	Un-audited 03 months to 30-06-2020	Un-audited 12 months to 31-03-2021
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES			
Proceeds from shareholders with non-controlling interest on issue of equity shares in subsidiaries	-	-	673,530
Dividend paid to non-controlling interest	-	(14,700)	(1,446,921)
Increase in interest in subsidiaries	(20,280)	(1,300)	(130,754)
Proceeds from long term borrowings	1,832,144	2,851,629	15,895,960
Repayment of long term borrowings	(2,155,003)	(1,393,356)	(9,680,633)
Repayment of lease liabilities	(501,640)	(451,621)	(1,875,918)
Increase/ (decrease) in other non-current financial liabilities	(303,623)	(303,623)	(15,985)
Proceeds from/ (repayment of) other current financial liabilities (net)	2,277,917	(1,248,632)	(1,254,699)
Net cash flow from financing activities	1,129,515	(561,603)	2,164,580
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,346,208	(1,887,650)	5,614,232
CASH AND CASH EQUIVALENTS AT THE BEGINNING	10,536,140	4,919,883	4,919,883
Effect of exchange rate changes	(4)	(3,081)	2,025
CASH AND CASH EQUIVALENTS AT THE END	14,882,344	3,029,152	10,536,140
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at Bank	10,946,949	4,435,904	7,460,441
Short term investments	10,809,993	5,520,048	8,995,075
Unfavourable balances			
Bank overdrafts	(6,874,598)	(6,926,800)	(5,919,376)
Cash and cash equivalents	14,882,344	3,029,152	10,536,140

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

COMPANY INCOME STATEMENT

In Rs. '000	Un-audited 03 months to 30-06-2021	Un-audited 03 months to 30-06-2020	Change as a %	Un-audited 12 months to 31-03-2021
Revenue from contract with customers	245,088	176,108	39	893,104
Cost of sales	(86,779)	(60,031)	45	(297,536)
Gross profit	158,309	116,077	36	595,568
Dividend income	-	221	(100)	1,229,188
Other operating income	10,559	10,667	(1)	464,262
Administrative expenses	(106,066)	(78,434)	35	(398,319)
Results from operating activities	62,802	48,531	29	1,890,699
Finance income	475,902	581,277	(18)	2,171,342
Finance expenses	(751,790)	(931,134)	(19)	(3,364,088)
Net finance cost	(275,888)	(349,857)	(21)	(1,192,746)
Change in fair value of investment property	-	-	-	28,200
Profit/ (loss) before tax	(213,086)	(301,326)	(29)	726,153
Tax expense	-	-	-	29,612
Profit/ (loss) for the period	(213,086)	(301,326)	(29)	755,765

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

STATEMENT OF COMPREHENSIVE INCOME

In Rs. '000	Un-audited 03 months to 30-06-2021	Un-audited 03 months to 30-06-2020	Change as a %	Un-audited 12 months to 31-03-2021
Profit/ (loss) for the period	(213,086)	(301,326)	(29)	755,765
Other comprehensive income				
Other comprehensive income not to be reclassified to income statement in subsequent periods				
Actuarial loss on retirement benefits	-	-	-	6,662
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	(5,200)
Net other comprehensive loss not to be reclassified to income statement in subsequent periods	-	-	-	1,462
Tax on other comprehensive income	-	-	-	(1,599)
Other comprehensive loss for the period, net of tax	-	-	-	(137)
Total comprehensive profit/ (loss) for the period, net of tax	(213,086)	(301,326)	(29)	755,628

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

COMPANY STATEMENT OF FINANCIAL POSITION

In Rs. '000	Un-audited as at 30-06-2021	Un-audited as at 30-06-2020	Un-audited as at 31-03-2021
ASSETS			
Non-current assets			
Property, plant and equipment	89,349	79,750	96,088
Investment property	822,700	794,500	822,700
Right of use assets	33,086	77,394	19,320
Intangible assets	197	734	974
Investments in subsidiaries	21,832,635	20,056,623	21,812,355
Investments in associates	41,000	41,000	41,000
Other non current financial assets	1,898,607	1,583,908	1,841,118
	24,717,574	22,633,909	24,633,555
Current assets			
Trade and other receivables	1,296,830	683,247	1,032,074
Amounts due from related parties	20,630,342	19,501,642	21,143,871
Other current assets	73,543	74,647	75,680
Short term investments	110,444	114,483	110,576
Cash in hand and at bank	1,547,928	985,532	1,530,983
	23,659,087	21,359,551	23,893,184
Total assets	48,376,661	43,993,460	48,526,739
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Stated capital	12,119,235	12,119,235	12,119,235
Revenue reserves	2,683,052	1,818,883	2,896,138
Other components of equity	(20,300)	-	(20,300)
Total equity	14,781,987	13,938,118	14,995,073
Non-current liabilities			
Interest bearing borrowings	7,404,752	7,444,394	7,898,419
Lease liabilities	9,902	1,473	11,490
Deferred tax liabilities	156,269	184,283	156,269
Employee benefit liabilities	113,106	106,993	113,372
Other deferred liabilities	-	30,631	3,604
Other non current financial liabilities	-	186,200	-
	7,684,029	7,953,974	8,183,154
Current liabilities			
Trade and other payables	221,953	388,600	75,650
Amounts due to related parties	7,698	23,620	49,202
Other current financial liabilities	19,024,382	15,685,140	19,368,560
Current portion of interest bearing borrowings	6,419,600	5,793,647	5,626,376
Current portion of lease liabilities	20,890	7,073	5,755
Other current liabilities	65,907	45,627	68,558
Bank overdrafts	150,215	157,661	154,411
	25,910,645	22,101,368	25,348,512
Total equity and liabilities	48,376,661	43,993,460	48,526,739

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

-sgd-

Group Finance Director

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

-sgd-

Chairman

-sgd-

Director

16 August 2021
Colombo

Softlogic Holdings PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

COMPANY

In Rs. '000	Stated capital	Fair value reserve of financial assets at FVOCI	Revenue reserve	Total
As at 01 April 2021	12,119,235	(20,300)	2,896,138	14,995,073
Loss for the period	-	-	(213,086)	(213,086)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(213,086)	(213,086)
As at 30 June 2021	12,119,235	(20,300)	2,683,052	14,781,987
As at 01 April 2020	12,119,235	-	2,120,209	14,239,444
Loss for the period	-	-	(301,326)	(301,326)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(301,326)	(301,326)
As at 30 June 2020	12,119,235	-	1,818,883	13,938,118

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

COMPANY STATEMENT OF CASH FLOW

In Rs. '000	Un-audited 03 months to 30-06-2021	Un-audited 03 months to 30-06-2020	Un-audited 12 months to 31-03-2021
CASH FLOWS FROM /(USED IN) OPERATING ACTIVITIES			
Profit/ (loss) before tax	(213,086)	(301,326)	726,153
Adjustments for:			
Finance income	(475,902)	(581,834)	(2,171,342)
Dividend income	-	(221)	(1,229,188)
Finance cost	751,790	931,134	3,364,088
Change in fair value of investment property	-	-	(28,200)
Gratuity provision and related costs	2,999	3,277	19,141
Depreciation of property, plant and equipment	6,785	6,181	36,167
Amortisation right of use assets	6,367	4,237	22,245
Depreciation in market value of quoted shares	-	557	-
(Profit)/ loss on sale of property, plant and equipment	5	-	(6,903)
Profit on sale of investments	-	-	(410,500)
Provisions for impaired receivables	-	-	13,178
Amortisation/ impairment of intangible assets & loan processing fee	778	13,515	3,612
Profit before working capital changes	79,736	75,520	338,451
(Increase)/ decrease in trade and other receivable	(264,756)	(2,887)	(364,893)
(Increase)/ decrease in other current assets	2,137	1,642	609
(Increase)/ decrease in amount due from related parties	(435,252)	(477,358)	(1,701,595)
Increase/ (decrease) in trade and other payables	146,303	152,256	(160,693)
Increase/ (decrease) in amount due to related parties	(41,504)	(71,589)	(46,007)
Increase/ (decrease) in other current liabilities	(8,056)	(47,970)	(25,039)
Decrease in deferred income	(9,009)	(9,009)	(36,036)
Cash used in operations	(530,401)	(379,395)	(1,995,203)
Finance income received	1,424,814	64,168	1,235,684
Finance expenses paid	(695,549)	(766,038)	(3,317,652)
Dividend received	-	221	1,229,188
Gratuity paid	(3,265)	-	(2,823)
Net cash flow from/ (used in) operating activities	195,599	(1,081,044)	(2,850,806)
CASH FLOWS FROM /(USED IN) INVESTING ACTIVITIES			
Purchase and construction of property, plant and equipment	(46)	(1,287)	(25,400)
Addition to intangible assets	-	-	(3,119)
Increase in interest in subsidiaries	(20,280)	-	(3,021,732)
Proceeds from disposal of strategic term investments	-	-	1,676,500
Purchase of other non current financial assets	(57,489)	(34,737)	(291,948)
Proceeds from sale of property, plant and equipment	-	-	40,074
Net cash flow used in investing activities	(77,815)	(36,024)	(1,625,625)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES			
Proceeds from long term borrowings	1,354,299	2,250,000	4,817,651
Repayment of long term borrowings	(914,261)	(260,617)	(2,569,925)
Payment of lease liabilities	(6,302)	(2,102)	(35,799)
Proceeds from/ (repayment of) short term borrowings (net)	(530,379)	(682,429)	3,000,989
Net cash flow from financing activities	(96,643)	1,304,852	5,212,916
NET INCREASE IN CASH AND CASH EQUIVALENTS	21,141	187,784	736,485
CASH AND CASH EQUIVALENTS AT THE BEGINNING	1,376,572	640,087	640,087
CASH AND CASH EQUIVALENTS AT THE END	1,397,713	827,871	1,376,572
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Favourable balances			
Cash in hand and at bank	1,547,928	985,532	1,530,983
Unfavourable balances			
Bank overdrafts	(150,215)	(157,661)	(154,411)
Cash and cash equivalents	1,397,713	827,871	1,376,572

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

OPERATING SEGMENT INFORMATION

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

REVENUE AND PROFIT In Rs. '000 For the three months ended 30 June	Information Technology		Leisure & Property		Retail & Telecommunication		Automobiles		Financial Services		Healthcare Services		Others		Total		Eliminations/ Consolidation adjustments		Group		
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
	Continuing operations																				
Revenue																					
Total revenue	1,454,668	801,666	96,426	19,232	13,628,536	7,693,728	222,969	143,257	4,682,170	3,131,644	4,979,208	2,708,072	254,549	182,855	25,318,526	14,680,454	-	-	25,318,526	14,680,454	
Inter group	(182,027)	(126,782)	(2,187)	(1,647)	(171,048)	(139,423)	(8,880)	(4,040)	(38,704)	(15,872)	(201,077)	(52,893)	(253,073)	(177,905)	(856,996)	(518,562)	-	-	(856,996)	(518,562)	
Total external revenue	1,272,641	674,884	94,239	17,585	13,457,488	7,554,305	214,089	139,217	4,643,466	3,115,772	4,778,131	2,655,179	1,476	4,950	24,461,530	14,161,892	-	-	24,461,530	14,161,892	
Operating profit/ (loss)	132,494	66,425	(271,906)	(326,544)	433,182	(36,412)	16,813	(13,241)	960,911	(336,767)	969,687	39,486	65,840	49,666	2,307,021	(557,387)	(33,829)	(35,738)	2,273,192	(593,125)	
Finance income	10,289	19,452	4,755	7,287	92,040	70,808	17	32	655,293	866,075	33,229	77,632	475,902	581,498	1,271,525	1,622,784	(584,064)	(765,412)	687,461	857,372	
Finance expenses	(20,650)	(39,059)	(129,957)	(113,901)	(973,123)	(1,340,045)	(22,246)	(46,717)	(223,223)	(270,032)	(274,368)	(453,408)	(751,516)	(930,750)	(2,395,083)	(3,193,912)	581,016	765,411	(1,814,067)	(2,428,501)	
Change in insurance contract liabilities	-	-	-	-	-	-	-	-	(977,377)	(712,842)	-	-	-	-	(977,377)	(712,842)	-	-	(977,377)	(712,842)	
Share of profit of equity accounted investees	-	-	-	-	-	-	-	-	-	-	-	(1,266)	(5,842)	(5,411)	(5,842)	(6,677)	-	-	(5,842)	(6,677)	
Profit/ (loss) before taxation	122,133	46,818	(397,108)	(433,158)	(447,901)	(1,305,649)	(5,416)	(59,926)	415,604	(453,566)	728,548	(337,556)	(215,616)	(304,997)	200,244	(2,848,034)	(36,877)	(35,739)	163,367	(2,883,773)	
Tax expense	(21,958)	(14,437)	884	-	12,235	34,885	162	-	(131,740)	51,152	(109,844)	(52,468)	(795)	(450)	(251,056)	18,682	-	-	(251,056)	18,682	
Profit/ (loss) after taxation	100,175	32,381	(396,224)	(433,158)	(435,666)	(1,270,764)	(5,254)	(59,926)	283,864	(402,414)	618,704	(390,024)	(216,411)	(305,447)	(50,812)	(2,829,352)	(36,877)	(35,739)	(87,689)	(2,865,091)	
Depreciation of property, plant & equipment (PPE)	10,685	8,460	131,941	147,531	307,378	282,951	7,016	7,816	47,252	52,454	339,235	318,927	6,872	6,265	850,379	824,404	-	-	850,379	824,404	
Amortisation of ROU assets	2,410	5,066	810	810	271,432	231,512	3,418	3,418	76,041	80,912	40,286	40,167	1,349	4,237	395,746	366,122	-	-	395,746	366,122	
Amortisation/ impairment of intangible assets	17,631	15,747	1,846	1,825	9,919	9,076	-	-	8,351	7,432	21	21	778	734	38,546	34,835	36,568	36,568	75,114	71,403	
Retirement benefit obligations and related cost	5,264	4,588	1,478	1,900	15,687	34,598	411	481	14,099	10,469	30,393	34,254	3,111	3,401	70,443	89,691	-	-	70,443	89,691	
Purchase and construction of PPE	2,379	2,135	4,607	3,206	324,816	65,428	23	-	14,988	13,855	209,133	282,151	541	1,288	556,487	368,063	-	-	556,487	368,063	
Additions to intangible assets	1,365	973	-	-	94	-	-	-	600	107	-	-	-	-	2,059	1,080	-	-	2,059	1,080	

Note : Figures in brackets indicate deductions.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

The interim financial statements of the Group and the Company for the Three month period ended 30 June 2021 were authorised for issue by the Board of Directors on 16 August 2021.

2. BASIS OF PREPARATION

The interim condensed financial statements have been prepared in compliance with Sri Lanka Accounting Standard LKAS 34 - Interim Financial Reporting.

The presentation and classification of the financial statements of the previous period have been amended, where relevant, for better presentation and to be comparable with those of the current period.

The interim financial statements are presented in Sri Lankan Rupees (Rs.) and all values are rounded to the nearest thousand except when otherwise indicated.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

3. CHANGE IN LIFE INSURANCE CONTRACT LIABILITIES

3.1 Valuation of Life Insurance Fund

Transfer of a sum of Rs. 486.00 Mn (2020 - Rs. Nil) from the Non Participating Life Insurance Fund/ Insurance Contract Liabilities to the shareholders' fund for the three months ended 30 June 2021, as approved by appointed Actuary Mr. Kunj Behari Maheshwari, FIA, FIAI, of Messrs. Willis Towers Watson India (Pvt) Ltd.

The Financial Statements of Softlogic Life Insurance PLC as at 30 June 2021 were audited by Messrs. KPMG, Chartered Accountants for Surplus transfer purpose.

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

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

Further distribution of one-off surplus to shareholders, held as part of the "Restricted Regulatory Reserve", is subject to meeting governance requirements stipulated by the IRCSL and can only be released as dividends upon receiving approval from the IRCSL. The one-off surplus in the shareholder fund will remain invested in government debt securities and deposits as disclosed in Note 3.3 as per the directions of the IRCSL.

One-off surplus in respect of participating business is held within the participating fund as part of the unallocated valuation surplus and may only be transferred to the shareholder fund by means of bonuses to policyholders in line with Section 38 of the "Regulation of Insurance Industry, Act No. 43 of 2000". Please refer Note 3.3 for details of assets supporting the restricted regulatory reserve as at 30 June 2021.

In Rs. '000	Participating fund	Non-participating fund	Total
Value of insurance contract liability based on Independent Actuary - NPV as at 31 December 2015	3,866,780	2,472,575	6,339,355
Value of insurance contract liability based on Independent Actuary - GPV as at 31 December 2015	2,810,245	1,674,571	4,484,816
Surplus created due to change in valuation method from NPV to GPV One off surplus as at 01 January 2016	1,056,535	798,004	1,854,539
Transfer of one off surplus from long term fund to Restricted Regulatory Reserve	-	(798,004)	(798,004)
Surplus created due to change in valuation method - One off surplus as at 30 June 2021	1,056,535	-	1,056,535

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

3.3 Composition of investments supporting the Restricted Regulatory Reserve as at 30 June 2021

		Face value	Market value as at 30 June 2021 Rs. '000
Government Securities			
Treasury Bonds	LKB03044A010	100,000,000	154,442
	LKB01534I155	50,000,000	58,197
	LKB01534I155	50,000,000	58,197
	LKB01534I155	50,000,000	58,197
	LKB01528I017	100,000,000	122,639
	LKB01529E014	50,000,000	64,890
	LKB01529E014	50,000,000	64,890
	LKB00322K152	200,000,000	201,576
Total market value of the assets			841,225

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

4. SHARE INFORMATION

4.1 Public share holdings

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

As at	30-06-2021
Public shareholding (%)	12.95
Public shareholders	10,374
Float adjusted market capitalization (Rs. Mn.)	1,714

Minimum public holding percentage - The Company is in compliance with option 1 of the Listing Rules 7.13.1 (b) which requires 7.5% minimum public holding percentage and 200 minimum public shareholders.

4.2 Directors' share holdings

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

As at	30-06-2021
A K Pathirage - Chairman/ Managing Director	488,008,681
G W D H U Gunawardena	71,333,852
R J Perera	75,437,508
H K Kaimal	80,439,792
M P R Rassool	Nil
Dr S Selliah	2,100,000
W M P L De Alwis, PC	Nil
Prof. A S Dharmasiri	Nil
A Russell-Davison	Nil
S Saraf	Nil
C K Gupta (alternate director to Mr. S Saraf)	Nil
J D N Kekulawala	Nil
	717,319,833

4.3 Twenty largest shareholders of the company are as follows:

As at	Number of shares 30-06-2021	%
1 Mr. A K Pathirage	488,008,681	40.92
2 Samena Ceylon Holdings Ltd	247,432,455	20.75
3 Mr. H K Kaimal	80,439,792	6.75
4 Mr. R J Perera	75,437,508	6.33
5 Mr. G W D H U Gunawardena	71,333,852	5.98
6 Pemberton Asian Opportunities Fund	57,040,000	4.78
7 Samena Special Situations Fund III L.P.	53,653,654	4.50
8 Samena Special Situations Fund II L.P.	15,000,000	1.26
9 Employees Provident Fund	7,230,500	0.61
10 Sampath Bank PLC/ Dr. T. Senthilverl	5,596,733	0.47
11 Mr. S J Fancy	4,960,000	0.42
12 Mrs. A Selliah	4,700,000	0.39
13 Miss. S Subramaniam	4,300,000	0.36
14 Dr. K M P Karunaratne	4,220,000	0.35
15 Mrs. A Kailasapillai	4,200,000	0.35
16 Arunodhaya Industries (Private) Limited	3,557,864	0.30
17 Mr. K Aravinthan	3,400,000	0.29
18 Arunodhaya (Private) Limited	3,000,000	0.25
19 Mr. G Ramanan	2,802,679	0.24
20 Phoenix Ventures Private Limited	2,318,870	0.19

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

5. STATED CAPITAL MOVEMENTS

5.1 No of shares

	No of shares
As at 01 April 2021	1,192,543,209
As at 30 June 2021	1,192,543,209

5.2 Value of shares

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

6. INVESTOR INFORMATION

6.1 Market value of shares

30-06-2021

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

Last traded price on (Rs.)	11.10
Highest price recorded for the three months ending (Rs.)	12.60
Lowest price recorded for the three months ending (Rs.)	11.00
Market Capitalisation (Rs. mn)	13,237.23

6.2 Ratios

Net assets per share at the period end (Rs.)	4.49
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6.3 Share trading information from 01 April 2021 to 30 June 2021

Number of shares traded	5,907,716
Value of shares traded (Rs. Mn.)	72.15

7. CONTINGENCIES

CONTINGENT LIABILITIES

As at reporting date, there were no significant change in the nature of the contingencies and other commitments, which were disclosed in the annual report for the year ended 31 March 2020 other than the below.

Asiri Surgical Hospital PLC

A dispute has arisen with the Department of Inland Revenue on the tax exemption applicable as per the agreement between Asiri Surgical Hospital PLC and the Board of Investment (BOI) in 2000.

Since there is litigation in the Court of Appeal in CA (Writ) 386/2016 with regard to this matter, in accordance with Paragraph 92 of LKAS 37, the group is unable to provide further information on this and associated risks, in order not to impair the outcome and/ or prejudice the subsidiary's position in this matter. The aforesaid matter is coming up for argument in September 2021.

8. CAPITAL COMMITMENTS

As at 30 June 2021, the Group had capital commitments contracted but not provided in the financial statements amounting to Rs. 12,591.00 Mn (30 June 2020 - Rs. 13,004.00 Mn).

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

9. 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 Finance PLC

The Directors of Softlogic Finance PLC, a subsidiary of Softlogic Holdings PLC, announced that the Company will issue 223,966,774 ordinary shares by way of a Rights Issue at a price of Rs. 10.00 per share. The issue of shares by the way of a Rights Issue was approved by the shareholders at the Extraordinary General Meeting held on 14 July 2021.

The proceeds from the aforesaid Rights Issue will be used for the purpose of Strengthening the Tier 1 Capital requirements based on the forecasted Business Expansion Programme of Softlogic Finance PLC.

Softlogic Holdings PLC

NOTES TO THE FINANCIAL STATEMENTS

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with related parties

In Rs. '000	Group		Company	
	03 months to 30-06-2021	03 months to 30-06-2020	03 months to 30-06-2021	03 months to 30-06-2020
Subsidiaries				
(Purchases) / sales of goods	-	-	(200)	(87)
(Receiving) / rendering of services	-	-	214,005	147,669
(Purchases) / sale of property plant & equipment	-	-	46	(1,310)
Loans given / (obtained)	-	-	726,912	(1,478,240)
Interest received / (paid)	-	-	314,877	358,335
Rent received / (paid)	-	-	14,738	14,825
Guarantee charges received	-	-	55,255	46,691
Guarantees given / (obtained)	-	-	32,492,122	25,397,208
Associates				
(Purchases) / sale of property plant & equipment	-	24	-	-
(Receiving) / rendering of services	1,256	(9,536)	1,359	3,114
Interest received / (paid)	38	-	38	-
Key management personnel				
Loans given/ (received)	(1,992)	(1,971)	(1,992)	(1,992)
Guarantees given/ (received)	(150,000)	(150,000)	-	-
Loans given/ (customer deposits received)	(5,933)	(2,127)	-	-
Advances given/ (received)	(31,442)	(232,318)	-	-
Close family members of KMP				
(Receiving) / rendering of services	-	-	-	-

11.2 Terms and conditions of transactions with related parties

Transactions with related parties are carried out under relevant commercial terms and conditions.

Outstanding current account balances at year end are unsecured, interest free and settlement occurs in cash. Interest bearing borrowings are at pre-determined interest rates and terms.

Softlogic Holdings PLC

CORPORATE INFORMATION

Name of Company

Softlogic Holdings PLC

Legal Form

Public Limited Liability Company.

Incorporated in Sri Lanka on 25 February 1998 as a Private Limited Liability Company under the Companies Act No. 17 of 1982.

Re-registered on 17 December 2007 as a Public Limited Liability Company under the Companies Act No. 07 of 2007.

The status of the Company was changed to a Public Limited Company on 10 December 2008. Subsequent to the listing of shares on the Main Board of Colombo Stock Exchange, the name of the Company was changed to Softlogic Holdings PLC on 25 August 2011.

The Company has been transferred to the Second Board with effect from 09 November 2020 due to non-compliance with Minimum Public Holding Requirement in terms of Rule 7.13.1. of the CSE Listing Rules. Subsequently the Company transferred to the Diri Savi Board of the Colombo Stock Exchange with effect from 02 December 2020.

Company Registration No

PV 1536 PB/PQ

Registered Office of the Company

14, De Fonseka Place,

Colombo 05

Sri Lanka

Tel : +94 11 5575 000

Fax : +94 11 2595 441

E-mail : info@softlogic.lk

Web : www.softlogic.lk

Directors

A K Pathirage - Chairman/ Managing Director

G W D H U Gunawardena

H K Kaimal

R J Perera

M P R Rasool

Dr S Selliah

W M P L De Alwis, PC

Prof. A S Dharmasiri

A Russell-Davison

S Saraf

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

J D N Kekulawala

Audit Committee

J D N Kekulawala - Chairman

Dr S Selliah

Prof. A S Dharmasiri

W M P L De Alwis, PC

Related Party Transaction Committee

W M P L De Alwis, PC - Chairman

H K Kaimal

Prof. A S Dharmasiri

HR and Remuneration Committee

Prof. A S Dharmasiri - Chairman

W M P L De Alwis, PC

J D N Kekulawala

Secretaries

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

DFCC Bank PLC

Hatton National Bank PLC

Muslim Commercial Bank

National Development Bank PLC

Nations Trust Bank PLC

Pan Asia Banking Corporation PLC

People's Bank

Sampath Bank PLC

Seylan Bank PLC

Union Bank of Colombo PLC

State Bank of India

Indian Bank

Auditors

Ernst & Young

Chartered Accountants

201, De Saram Place,

Colombo 10