

**INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD OF SIX MONTHS ENDED MARCH 31, 2012**

SOFTLOGIC FINANCE PLC
(Company Registration No. PB641PQ)

SOFTLOGIC FINANCE PLC
BALANCE SHEET
AS AT MARCH 31, 2012

	31/03/2012 (Audited) Rs.	31/03/2011 (Audited) Rs.
ASSETS		
Bank & Cash Balances	278,658,957	64,874,455
Investment In Government Securities	727,208,119	211,856,852
Placements with Banks & Financial Institutions	204,500,000	50,000,000
Investment in Dealing Securities	70,485,704	37,368,600
Investment in Commercial Papers	25,787,500	-
Prepayments & Other Receivable	445,620,745	233,602,684
Loans & Advances	1,771,804,079	283,956,085
Lease & Hire Purchase Rentals Receivables	6,006,771,372	3,371,328,433
Pawning Advances	255,139,268	124,322,109
Margin Trading	81,161,047	-
Vehicle Stock	-	4,855,172
Vehicle Stock - Trading	10,208,786	-
Real Estate Stock	39,258,097	16,647,132
Property, Plant & Equipment	183,662,230	39,587,010
TOTAL ASSETS	10,100,265,904	4,438,398,532
LIABILITIES		
Bank Overdrafts	68,318,529	55,307,922
Time Deposits	4,613,210,866	1,567,900,684
Certificate of Deposits	9,204,613	-
Savings Deposits	59,434,647	16,906,309
Borrowings	3,665,875,282	1,952,786,077
Trade & Other Payables	481,266,094	266,807,706
Deferred Liabilities	87,261,034	47,503,689
TOTAL LIABILITIES	8,984,571,065	3,907,212,387
SHARE HOLDERS' FUNDS		
Stated Capital	1,003,230,820	468,174,370
Reserve Fund	12,657,137	7,375,479
Investment Fund Reserve	20,929,338	-
Retained Profit	78,877,544	55,636,296
SHARE HOLDERS' FUNDS	1,115,694,839	531,186,145
TOTAL LIABILITIES AND SHARE HOLDERS' FUNDS	10,100,265,904	4,438,398,532
Net Assets Per Share	29.79	19.86

These Financial Statements are in compliance with the requirements of the Companies Act No 07 of 2007.

(Sgd.) D.S.Hewapathirana
Assistant General Manager - Finance

The Board of Directors is responsible for preparation of these Financial Statements .

Signed for and on behalf of Board by;

(Sgd.) A K Pathirage
Chairman

(Sgd.) P M B Fernando
CEO/Director

Date : May 29, 2012

SOFTLOGIC FINANCE PLC
INCOME STATEMENT
PERIOD OF SIX MONTHS ENDED MARCH 31, 2012

	6 Months ended 31-Mar-12	Year ended 31-Mar-12 (Audited)	6 Months ended 31-Mar-11	Year ended 31-Mar-11 (Audited)
	Rs.	Rs.	Rs.	Rs.
GROSS INCOME	921,498,134	1,530,913,842	404,877,717	650,609,912
Interest Expenses	(484,718,177)	(789,931,673)	(199,202,780)	(336,587,217)
INCOME NET OF INTEREST	436,779,957	740,982,169	205,674,937	314,022,695
Other Income	28,019,313	58,575,280	15,520,852	29,605,823
NET OPERATING INCOME	464,799,270	799,557,449	221,195,789	343,628,518
OPERATING EXPENSES				
Personnel Costs	125,253,808	210,538,546	49,372,130	69,776,951
Staff Retirement Benefits	1,461,686	3,561,686	249,742	1,089,742
Provision For Bad & Doubtful Debts	325,346	8,893,475	1,810,543	2,169,229
Administrative & General Expenses	251,472,525	396,829,735	103,469,008	166,069,896
	378,513,366	619,823,442	154,901,424	239,105,818
PROFIT BEFORE TAX & VAT ON FINANCIAL SERVICES	86,285,904	179,734,007	66,294,365	104,522,700
VAT on Financial Services	15,962,087	30,062,219	12,039,198	19,736,157
PROFIT BEFORE INCOME TAX	70,323,817	149,671,788	54,255,167	84,786,544
Income Tax Expense / (Reversal)	17,941,751	44,038,618	8,276,611	16,250,538
Net Profit for the Period/Year	52,382,066	105,633,170	45,978,555	68,536,006
Earnings Per Share (Rs.)	1.40	3.20	2.06	3.07

Date : May 29, 2012

SOFTLOGIC FINANCE PLC
CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2012

	2011/2012 (Audited) Rs.	2010/2011 (Audited) Rs.
Cash Flows from/(used in) Operating Activities		
Net Profit/(Loss) before Taxation	149,671,788	84,786,544
Adjustments for		
Depreciation	27,629,123	8,592,965
(Profit)/Loss on Disposal of Property, Plant & Equipment	(183,024)	(1,680,803)
(Income)/Loss from Dealing Securities	7,101,799	(6,374,235)
(Profit)/Loss from Sale of Vehicles	(4,589,409)	-
Provision for Loan Losses	8,893,475	2,169,229
Provision for defined benefit Plans	3,561,686	1,089,742
Interest Expenses	789,931,673	336,587,217
Operating Profit before Working Capital Changes	982,017,111	425,170,660
(Increase)/Decrease in Lease & Hire Purchase Rental Receivable	(2,644,336,415)	(1,846,643,737)
(Increase)/Decrease in Loans & Advances	(1,487,847,994)	(260,876,019)
(Increase)/Decrease in Pawning Debtors	(130,817,159)	(124,322,109)
(Increase)/Decrease in Margin Trading	(81,161,047)	-
(Increase)/Decrease in Vehicle Stocks	4,855,172	5,433,446
(Increase)/Decrease in Prepayments & Other Receivable	(212,018,060)	(152,217,817)
(Increase)/Decrease in amounts due from Related Companies	-	7,712,720
(Increase)/Decrease in Real Estate Stocks	(22,610,965)	(799,132)
Increase/(Decrease) in Public Deposits	3,097,043,133	762,990,742
Increase/(Decrease) in Borrowings	1,713,089,206	1,309,343,230
Increase/(Decrease) in Trade & Other Payables	214,458,388	103,518,184
Cash Generated from/(used in) Operations	1,432,671,370	229,310,169
Interest Paid	(789,931,673)	(336,587,217)
Taxes Paid	(7,772,960)	-
Defined Benefit Plan Costs Paid	(70,000)	(117,000)
Purchase of Vehicles	(36,690,805)	-
Proceeds from Sale of Vehicles	31,071,428	-
Net Cash from/(used in) Operating Activities	629,277,360	(107,394,048)
Cash Flows from/(used in) Investing Activities		
Purchase of Property, Plant & Equipment	(171,965,422)	(21,067,126)
Proceeds from Sale of Property, Plant & Equipment	444,103	2,202,000
Purchase of Investments	(808,774,950)	(706,605,400)
Sale of Investments	72,917,281	518,784,782
Net Cash from/(used in) Investing Activities	(907,378,988)	(206,685,743)
Cash Flows from/(used in) Financing Activities		
Proceeds from Rights Issue of Shares	535,056,450	267,528,200
Dividend Paid	(56,180,927)	(26,752,822)
Net Cash from/(used in) Financing Activities	478,875,523	240,775,378
Net Increase in Cash & Cash Equivalents	200,773,895	(73,304,414)
Cash & Cash Equivalents at the beginning of the year	9,566,533	82,870,946
Cash & Cash Equivalents at the end of the year	210,340,428	9,566,533
Reconciliation of Cash & Cash Equivalents		
Cash & Bank Balance	278,658,957	64,874,455
Bank Overdrafts	(68,318,529)	(55,307,922)
	210,340,428	9,566,533

Date : May 29, 2012

SOFTLOGIC FINANCE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2012

	Stated Capital	Retained Profit	Reserve Fund	Investment Fund Reserve	Total
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at April 1, 2009	200,646,170	10,566,156	2,768,446	-	213,980,772
Net Profit for the Year	-	23,604,647	-	-	23,604,647
Dividends	-	(20,064,617)	-	-	(20,064,617)
Transferred to/(from) during the Year	-	(1,180,232)	1,180,232	-	-
Balance as at March 31, 2010	200,646,170	12,925,954	3,948,678	-	217,520,802
Rights Issue of Shares	267,528,200	-	-	-	267,528,200
Effect of Deferred Tax Adjustment	-	4,353,959	-	-	4,353,959
Net Profit for the Year	-	68,536,006	-	-	68,536,006
Dividends	-	(26,752,822)	-	-	(26,752,822)
Transferred to/(from) during the Year	-	(3,426,800)	3,426,800	-	-
Balance as at March 31, 2011	468,174,370	55,636,296	7,375,479	-	531,186,145
Rights Issue of Shares	535,056,450	-	-	-	535,056,450
Net Profit for the Year	-	105,633,170	-	-	105,633,170
Dividends	-	(56,180,927)	-	-	(56,180,927)
Transferred to/(from) during the Year	-	(26,210,997)	5,281,659	20,929,338	-
Balance as at March 31, 2012	1,003,230,820	78,877,543	12,657,137	20,929,338	1,115,694,839

Date : May 29, 2012

EXPLANATORY NOTES
FOR THE PERIOD OF SIX MONTHS ENDED MARCH 31, 2012

1. Market Price per Share (Rs.)

Market Price - Highest (for the period)	52.00
Market Price - Lowest (for the period)	25.00
Market Price as at March 31, 2012	27.70

2. There are no changes in the accounting policies and methods of computations since the publication of annual accounts for the year ended March 31, 2011.

3. There are no other material events that have taken place subsequent to the Interim Accounts, which require disclosure.

4. The Interim Financial Statements are in compliance with Sri Lanka Accounting Standards 35 - Interim Financial Reporting and provide the information required by the Colombo Stock Exchange.

5. The presentation and classification of figures for the corresponding period of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

6. Stated capital consists of 37,453,951 Ordinary Shares as at March 31, 2012. Company has issued new Ordinary Shares of 10,701,129 during the month of August at a Price of Rs. 50/- per share, on the basis of two right shares per every five shares held.

7. There has been no significant change in the nature of the contingent liabilities, which were disclosed in the annual report for the year ended March 31, 2011.

8. Interim dividend of Rs. 1.50 per ordinary share was paid on September 15, 2011 for the financial year ended March 31, 2012.

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE PERIOD OF SIX MONTHS ENDED MARCH 31, 2012

9. List of Twenty Major Shareholders of the Company as at March 31, 2012

<u>Name</u>	<u>No. of Shares</u>	<u>(%)</u>
National Development Bank PLC/Softlogic Capital PLC	9,582,446	25.585
Pan Asia Banking Corporation PLC/Softlogic Capital PLC	8,853,335	23.638
Vanik Incorporation Ltd	5,376,068	14.354
Softlogic Capital PLC	4,849,040	12.947
L B Finance Limited	1,540,000	4.112
Royal Ceramics Lanka PLC	1,042,200	2.783
Waldock Mackenzie Limited/Mr. L P Hapangama	618,620	1.652
Associated Electrical Corporation Ltd	427,500	1.141
Seylan Bank PLC/W.D.N.H Perera	340,000	0.908
Waldock Mackenzie Limited/Hi-Line Trading (Pvt) Ltd	315,620	0.843
Waldock Mackenzie Limited/Mr S N P Paliheena and Mrs A.S Paliheena	300,000	0.801
Mr A K Pathirage	168,000	0.449
Bank of Ceylon No.1 Account	153,600	0.410
Commercial Bank of Ceylon PLC/D.S.L Investments (Pvt) Ltd	104,800	0.280
Mr. A.H Vdeshi	103,320	0.276
Pan Asia Banking Corporation PLC/Invest Copia Capia Capital (Pvt) Ltd	99,900	0.267
Mr. D.S Hewapathirana	89,440	0.239
Mr. S Abishke	72,332	0.193
Waldock Mackenzie Limited/Mrs. G. Soysa	66,000	0.176
D.S.L Investments (Pvt) Ltd	65,300	0.174
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	34,167,521	91.225
Others	3,286,430	8.775
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	37,453,951	100.00

10. Directors' Shareholding as at March 31, 2012

<u>Names of Directors</u>	<u>No. of Shares</u>	<u>(%)</u>
Asoka Kariyawasam Pathirage (Chairman)	168,000	0.45%
Pattage Mayurasiri Bandula Fernando (CEO)	8,040	0.02%
Nalin Hemantha Gamini Wijekoon	9,666	0.03%
Tuan Mihilar Ifthikar Ahamed	28,900	0.08%
Baddegama Hevege Sirinimal Jayawardene	Nil	Nil
Ranil Prasad Pathirana (Resigned w.e.f. December 30, 2011)	Nil	Nil
Samantha Aruna Bandara Rajapakse (Resigned w.e.f. April 15, 2012)	Nil	Nil
Chrysanthus John Emmanuel Corea	Nil	Nil
Dushan Travice Columban Soza	Nil	Nil

11. The percentage of shares held by the public as at March 31, 2012 is 22.90%

SOFTLOGIC FINANCE PLC
EXPLANATORY NOTES (Contd.)
FOR THE PERIOD OF SIX MONTHS ENDED MARCH 31, 2012

BUSINESS SEGMENT INFORMATION

	Leasing		Hire Purchases		Other Loans and Advances		Unallocated		Total	
	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.	2012 Rs.	2011 Rs.
Revenue										
Interest	409,874,776	158,847,165	698,121,790	433,270,016	375,514,400	18,667,788			1,483,510,966	610,784,970
Investment Income							47,402,874	39,824,942	47,402,874	39,824,942
Fee based income and others	8,576,818	4,329,482	8,612,092	6,953,036	17,035,265	2,604,383	31,452,905	9,344,687	65,677,080	23,231,588
Profit/(Loss) from Dealing Securities							(7,101,798)	6,374,235	(7,101,798)	6,374,235
Total Revenue	418,451,594	163,176,647	706,733,882	440,223,052	392,549,665	21,272,171	71,753,981	55,543,864	1,589,489,122	680,215,735
Profit/(Loss) before tax	39,402,848	20,339,406	66,548,505	54,872,284	36,963,833	2,651,503	6,756,603	6,923,351	149,671,788	84,786,544
Taxation									44,038,618	16,250,538
Profit after tax									105,633,170	68,536,006
Segment Assets	2,390,517,947	1,047,896,838	3,616,253,425	2,323,431,595	2,108,104,394	408,278,194	1,985,390,138	658,791,906	10,100,265,904	4,438,398,532
Segment Liabilities	2,126,456,727	922,484,872	3,216,795,102	2,045,364,030	1,875,239,119	359,415,588	1,766,080,116	579,947,897	8,984,571,065	3,907,212,387

CORPORATE INFORMATION

Name of the Company

Softlogic Finance PLC

Holding Company

Softlogic Capital PLC

Legal Form

Incorporated under the Companies Act No 17 of 1982
Date of Incorporation 24th August 1999.
Re-registered under the Companies Act No. 7 of 2007 on 29th September 2008.
Registered under the Finance Companies Act No. 78 of 1988.
Registered under the Finance Leasing Act No. 56 Of 2000.
Approved Credit Agency under the Mortgage Act No 6 of 1949 and Inland Trust Receipts Act No 14 of 1990.
Quoted in the Colombo Stock Exchange on January 22, 2009.
Registered under the Securities & Exchange Commission of Sri Lanka Act No. 36 of 1987 as Margin Provider

Company Registration Number

PB641PQ

Tax Payer Identification Number (TIN)

134008350

Accounting Year End

31st March

Registered Office

No.1, Lake Crescent
Colombo 2

Principal Place of Business

No 1, Lake Crescent, Colombo 2
Tel : 94-11- 2307284 - 8
Facsimile : 94 11 2307289
E-mail : leasing@softlogicfinance.lk
Website : www.softlogicfinance.lk

Board of Directors

Mr. Ashok Pathirage (Chairman)
Mr. Mayura Fernando (CEO)
Mr. Nalin Wijekoon
Mr. B.H.S.Jayawardene
Mr. Tuan Ifthikar Ahamed
Mr. Chris Corea
Mr. Dushan Soza

Management Committee

Mr. Mayura Fernando - Director/CEO
Mr. Nalin Wijekoon - Director
Mr. Tuan Ifthikar Ahamed - Director
Mr. Sudath Jayawardena - GM
Mr. Sanjaya Vithanage - DGM
Mr. Shihan Nanayakkara - DGM
Mr. Rohana Dahanayake - AGM
Mr. Sampath Hewapathirana - AGM
Mr. Dilhan Manoj Kumar - AGM
Mr. Nalinda Ranaraja - AGM
Mr. Colin Samarathunga - AGM
Mr. Chamlantha Fernando - AGM
Mr. Ananda Wickramasinghe - SM
Mr. Lasantha Perera - SM
Mr. Gayan Jayatissa - SM
Mr. Shehan Uduwara - SM
Ms. Shalika Hewawickrama - M
Mr. Surendra Rodrigo - M

Secretaries

P W Corporate Secretarial (Pvt) Ltd

Auditors

Messrs. PricewaterhouseCoopers
Chartered Accountants

Legal Advisors to the Company

Nithya Partners

Bankers

HSBC
DFCC Vardhana Bank
Sampath Bank
Bank of Ceylon
Commercial Bank
Seylan Bank
Hatton National Bank
Pan Asia Banking Corporation
People's Bank
Nations Trust Bank
Deutsche Bank

Branch Network

Badulla

No 30, Anagarika Dharmapala Mawatha
Tel: 055-5635072

Kandy

No. 165, Kotugodella Veediya
Tel: 081- 2224913

Polonnaruwa

No. 125, Batticaloe Road
Tel: 027-2226727

Chilaw

No. 28 B, Kurunegala Road
Tel: 032-2221415

Matara

No. 8C, F. N. Building, 2nd Floor, Station Road
Tel: 041-2220195

Ratnapura

No.1/200, Ground Floor, Main Street
Tel: 045-2230677

Galle

No. 64, Colombo Road, Kaluwella
Tel: 091-2226501

Nuwara Eliya

No. 36, 1st Floor, Unit 6, Park Road
Tel: 052-2223382

Negombo

No. 121 & 123, St. Josephs Street
Tel: 031-2224714

Embilipitiya

No.176, Rathnapura Road, Pallegama
Tel: 047-2230590

Metro Branch

No. 315, R.A.De Mel Mawatha , Colombo 03
Tel: 011-2577455

Dambulla

No.719, Anuradhapura Road
Tel: 066-2284737

Kadawatha

No. 139/7/D, Kandy Road
Tel: 011-2923011

Kurunegala

No. 13, Rajapihilla Road
Tel: 037-2232875

Nawala

No.305B, Nawala Road
Tel: 011-2807080

Jaffna

No.55,57 & 59, Kasthuriar Road
Tel: 021-2219444

Anuradhapura

No. 561/11, Maithreepala Senanayaka Mawatha, New Town
Tel: 025-2226279