

7th March, 2024

Mr Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
World Trade Center
Echelon Square
Colombo 01

Dear Sir

SOFTLOGIC HOLDINGS PLC - RIGHTS ISSUE

This is to inform you that the Board of Directors of Softlogic Holdings PLC (the “Company”) has resolved on 7th March 2024 to raise up to Sri Lanka Rupees Ten Billion (Rs. 10.0 Bn) by 31st of March 2025 by way of equity infusion as follows:

1. To raise up to Rs. 2,981,358,020.00 by way of a Rights Issue.
2. To raise up to Rs. 1,878,255,550.50 by issuing warrants attached to the rights shares subscribed.
3. To raise remaining equity of upto Rs. 5,140,386,429.50 in a manner to be decided by the Board of Directors of the Company upon completion of aforesaid item No. 1 & 2.

Having considered the prevailing restriction in issuing warrants attached to rights issue of shares in terms of Rule 5.10.1 (iii) of the Listing Rules of the Colombo Stock Exchange the directors recommend to the shareholders of the Company, an issue of Two Hundred and Ninety Eight Million One Hundred and Thirty Five Thousand Eight Hundred and Two (298,135,802) ordinary shares of the Company by way of a Rights Issue to raise up to Sri Lanka Rupees Two Billion Nine Hundred and Eighty One Million Three Hundred and Fifty Eight Thousand and Twenty (Rs. 2,981,358,020.00) in the proportion of One (1) share for every Four (4) shares held as at the dated of allotment at a consideration of Sri Lanka Rupees Ten (Rs. 10.00) per share, for the purpose of settling the debt of the Company and for the working capital requirements of the Company/Group as first stage of raising equity of Rs. 10 Bn.

The current stated capital of the Company is Sri Lanka Rupees Twelve Billion One Hundred and Nineteen Million Two Hundred and Thirty Four Thousand Five Hundred and Fifty Three (Rs. 12,119,234,553.00).

The Rights subscribed shall have attached thereto Warrants in the following manner for the purpose of settling the debt of the Company and for the working capital requirements of the Company/Group.

- Issue up to 178,881,481 warrants in the ratio of Three (3) warrants for every Five (5) rights shares subscribed, exercisable on 31st December 2024, at an exercise price of Sri Lanka Rupees Ten and Cents Fifty (Rs. 10.50) (i.e. exercise price of a warrant is Rs. 10.50) to raise up to Sri Lanka Rupees One Billion Eight Hundred and Seventy Eight Million Two Hundred and Fifty Five Thousand Five Hundred and Fifty and Cents Fifty (Rs. 1,878,255,550.50).

The public holding percentage of the Company is 13.09%.

The new Ordinary Shares arising from the rights issue and Warrants shall be listed at the Colombo Stock Exchange.

One Warrant has the right to be converted into One Ordinary share at the conversion of Warrants in to Ordinary shares.

The Shares arising from the conversion of Warrants shall be listed at the Colombo Stock Exchange.

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The Rights Issue will not be underwritten. However, Mr. Asoka Kariyawasam Pathirage and Samena Ceylon Holdings Limited being major shareholders of the Company have indicated that they will subscribe to their entire entitlement of rights together with the exercise of Warrants.

The Board of Directors have also decided to revert with a mechanism to raise the remaining Rs. 5,140,386,429.50 in due course in consultation with the relevant parties and the regulatory authorities subject to obtaining the regulatory approvals as applicable. In the event if it is a Rights Issue, the aforesaid two major shareholders, have further indicated that they will also subscribe for their full entitlement in the process of raising the remaining equity infusion of upto Rs. 5,140,386,429.50. Further announcement in this regard will be made to the Colombo Stock Exchange upon reaching such a decision by the Board of Directors of the Company.

Trading of the shares of the Company has been suspended with effect from 8th December 2023 due to non-submission of Annual Report for the year ended 31st March 2023. The securities of the Company will remain in the Watch List due to non-submission of Annual Report for the year ended 31st March 2023 and Qualified Audit Opinion and Emphasis of matter on going concern in the Independent Auditor's Report in the Audited Financial Statements for the year ended 31st March 2022 and non-submission of the Interim Financial Statements for the quarter ended 31st December 2023.

The aforesaid issue of shares by way of the Rights issue and issue of Warrants is subject to the dissemination of the Annual Report for the financial year 2023 and the Interim Financial Statements of the Company for the quarter ended 31st December 2023 to the Colombo Stock Exchange and the Colombo Stock Exchange approving in principle the issue and listing of such shares and warrants and the Company obtaining shareholder approval at a General Meeting.

Yours faithfully
For and on behalf of
SOFTLOGIC HOLDINGS PLC



A K PATHIRAGE
CHAIRMAN/MANAGING DIRECTOR