

04th July 2025

Mr. Renuka Wijayawardhana
Chief Regulatory Officer
Colombo Stock Exchange
World Trade Centre
Echelon Square
Colombo 01.

Softlogic Finance PLC
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Reg. No. PB641PQ

Dear Sir

SOFTLOGIC FINANCE PLC ("THE COMPANY")
CORPORATE DISCLOSURE – RELATED PARTY TRANSACTION

In terms of Section 8 and 9 of the Listing Rules of the Colombo Stock Exchange, the Company wishes to disclose that the Company intends to enter into an agreement with S R One (Private) Limited, a fully owned subsidiary of Softlogic Capital PLC, for the transfer of the beneficial ownership of a part of the Company's loan portfolio for cash.

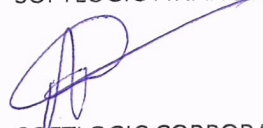
The aforesaid transaction is the third transfer of a part of the Company's loan portfolio and represents the first transfer for the financial year. The 1st transfer was completed on 31st July 2024 for a cash amount of LKR 100,093,222.95 and the 2nd transfer was completed on 6th September 2024 for a cash amount of LKR 1,000,172,933.75, as stated in the Company's CSE disclosures of 01st August 2024 and 10th September 2024.

A brief description of the transaction is provided below.

- i. The date of the transaction – 03rd July 2025 (Effective Date)
- ii. Name of the Relevant Related Party – S R One (Private) Limited
- iii. Relationship between the Company and the related party – Softlogic Finance PLC is an affiliated company of S R One (Private) Limited
- iv. Description of the Transaction – The transfer of the beneficial ownership of a part of the Company's loan portfolio for cash amounting to approximately LKR 200 million.
- v. Rationale for entering into the transaction – The transaction is pursuant to an alternative Capital augmentation Plan of the Company. This plan is designed to enhance the company's balance sheet and meet its capital adequacy requirements.
- vi. The aggregate value of the Related Party Transactions for the financial year with the particular Related Party whose transaction is the subject of the announcement is approximately LKR 200 million.
- vii. The aggregate value of all non-recurrent Related Party Transactions for the same financial year is approximately LKR 200 million.

The Related Party Transactions Review Committee of the Entity is of the view that the transaction is on normal commercial terms and is not prejudicial to the interests of the entity and its minority shareholders and the Related Party Transactions Review Committee the transaction has been advised by independent experts, prior to forming its view on the transaction.

Yours faithfully,
For and on behalf of
SOFTLOGIC FINANCE PLC



SOFTLOGIC CORPORATE SERVICES (PVT) LTD
SECRETARIES