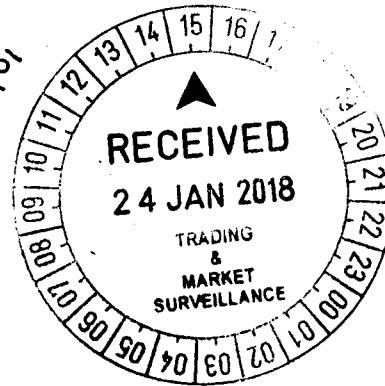


January 24, 2018

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



Dear Sir

**SOFTLOGIC HOLDINGS PLC (THE "COMPANY") - CORPORATE DISCLOSURE**

This is to inform you that the Board of Directors of Softlogic Holdings PLC (the "Company") has resolved on 24<sup>th</sup> January 2018 to issue One Hundred And Eighty Two Million Seven Hundred And Twenty Eight Thousand Three Hundred And Ninety Five (182,728,395) and Two Hundred and Thirty Million Eight Hundred and Fourteen Thousand Eight Hundred and Fourteen (230,814,814) ordinary shares of the Company by way of a Private Placement and a Rights Issue respectively.

**Private Placement**

182,728,395 shares will be issued to Samena Ceylon Holdings Limited and having its registered office at 4<sup>th</sup> Floor, Tower A, Cybercity, Ebene, Mauritius (hereinafter referred to as "Samena") at a price of Sri Lanka Rupees Seventeen (Rs. 17.00) per ordinary share amounting to a total consideration of Sri Lanka Rupees Three Billion One Hundred and Six Million Three Hundred and Eighty Two Thousand Seven Hundred and Fifteen (Rs. 3,106,382,715.00). Such shares, when issued, shall constitute nineteen per centum (19%) of the issued ordinary shares of the Company immediately after such issue.

The proceeds from the aforesaid Private Placement shall be utilized to settle the short-term debt.

**Rights Issue**

230,814,814 shares will be issued by way of a Rights Issue to the shareholders of the Company in the proportion of twenty Four (24) shares for every Hundred (100) shares held as at the date of allotment at a consideration of Rupees Seventeen (Rs. 17.00) per share.

The shares which are to be issued by way of the Private Placement will also be entitled to the Rights Issue of shares.

The proceeds from the Rights Issue will be used to partly settle the short-term debt and the long-term bank borrowings. The excess of the proceeds if any shall be used by the Company after settling the debt, to reduce the general indebtedness of the Company.

The current stated capital of the Company is Sri Lanka Rupees Five Billion Eighty Nine Million (Rs. 5,089,000,000.00) as at 30<sup>th</sup> September 2017 as per the Company's latest disclosed Interim Financial Statements.

Contd..P/2

**Softlogic Holdings PLC (Reg. No. PV 1536 PB/PQ)**

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The aforesaid issue of shares by way of the Private Placement and the Rights issue is subject to the Colombo Stock Exchange approving in principle the said issues and listing of such shares and the Company obtaining shareholder approval at a General Meeting.

An Extraordinary General Meeting of the Company will be convened in order for the aforesaid Private Placement and Rights Issue to be approved by the shareholders.

Yours faithfully  
For and on behalf of  
SOFTLOGIC HOLDINGS PLC



A K PATHIRAGE  
CHAIRMAN/MANAGING DIRECTOR