

SOFTLOGIC HOLDINGS PLC

Company Reg. No. PV 1536 PB/PQ
No. 14, De Fonseka Place, Colombo 05

CIRCULAR TO SHAREHOLDERS



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Dear Shareholder

PRIVATE PLACEMENT AND RIGHTS ISSUE OF SHARES

The Board of Directors of Softlogic Holdings PLC (the "Company") recommends to the shareholders that they approve by way of

- (1) a Special Resolution the issue of One Hundred And Eighty Two Million Seven Hundred And Twenty Eight Thousand Three Hundred And Ninety Five (182,728,395) ordinary shares of the Company to Samena Ceylon Holdings Limited at a price of Sri Lanka Rupees Seventeen (Rs. 17.00) per ordinary share by way of a Private Placement.
- (2) an Ordinary Resolution the issue of two Hundred and Thirty Million Eight Hundred and Fourteen Thousand Eight Hundred And Fourteen (230,814,814) ordinary shares of the Company in the proportion of twenty Four (24) shares for every Hundred (100) shares held after the allotment of the shares in the Private Placement at a price of Sri Lanka Rupees Seventeen (Rs. 17.00) per ordinary share.
- (3) a Special Resolution the issue totality of unsubscribed rights shares to Samena Ceylon Holdings Limited at a price of Sri Lanka Rupees Seventeen (Rs. 17.00) per ordinary share.

1. PRIVATE PLACEMENT OF SHARES

of One Hundred And Eighty Two Million Seven Hundred And Twenty Eight Thousand Three Hundred And Ninety Five (182,728,395) ordinary shares of the Company (the "said shares") by way of a private placement will be issued to Samena Ceylon Holdings Limited ("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). The said shares, when issued, shall constitute nineteen per centum (19.00%) of the issued ordinary shares of the Company immediately after such issue.

1.1 The Proposed Investor

The proposed investor, Samena Ceylon Holdings Limited, a limited liability company incorporated under the laws of Mauritius bearing registration no. 152793 and having its registered office at 4th Floor, Tower A, Cybercity, Ebene, Mauritius, is a subsidiary of Samena Capital is a principal investment group which manages total capital of approximately USD 1.0 billion across three primary investment strategies: private equity, direct investments, and credit. Samena focuses on investing in the Subcontinent, Asia, Middle East and North Africa (collectively, the SAMENA region). The Samena Capital has made significant investments across a number of sectors in emerging markets including healthcare, leisure, industrial, financial services and infrastructure. Samena Capital has raised more than USD 1.5 billion of capital since 2008 and has returned USD 615 million to the investors from over 45 full and partial exits.

Further details of Samena are given below.

- a. Date of incorporation: **5th January 2018**
- b. Authority of Incorporation: **Registrar of Companies - Mauritius**
- c. Names of Directors:
Dr Markus A. Federle
Chetan Gupta
Mannish Ajodah
Mithilesh Lallah
- d. Shareholder, percentage and number of shares held: **Samena Ceylon Holdings, a Company incorporated in the Cayman Islands who owns 100% (i.e. 100 shares)**
- e. Stated Capital: **US\$100 made up of 100 ordinary shares issued at US\$1**
- f. Principle Business information: **Operating as an investment holding company with a Global Business License (Category 1) issued by the Mauritius FSC.**
- g. Website: **www.samenacapital.com**

1.2 Need for a Private Placement and the Benefit thereof to the existing Shareholders and the Company

The Company is currently highly geared with a Debt/Equity of 3.91x as at 31st December 2017 as per the latest disclosed Interim Financial Statements of the Company. As such, the Board of Directors is of the view that the equity infusion would be best interest of the Company and the shareholders. The proceeds of such new equity infusion will be used to settle the short-term debt of the Company in the nature of commercial papers and the excess of the proceeds after settling the commercial papers to the fullest extent possible will also be used by the Company to reduce the general indebtedness of the Company (part settlement of borrowing from Seylan Bank PLC) and thus, will improve its gearing levels.

In terms of the investment itself, Samena has also agreed that it is prepared to subscribe for private placement shares at a premium of Rs. 4.20 (32.81%) to the market price of Rs. 12.80 as of 24th January 2018 and the annual average market price of the Company.

As such, the private placement would enable the Company to remedy the funding mismatch of the strategic CAPEX projects which had been undertaken by the Company and in turn, will boost the profitability of the Company with a remarkable saving of approximately Rs. 450 Mn in finance costs when equity replaces debt and reducing the gearing position of the Company. Samena brings in a wealth of global business expertise and access to quality financing and thereby increase value creation and growth potential in Company as well as in the Group.

The issue of shares under the private placement does not amount to a related party transaction. The members of the Related Party Transaction Review Committee of the Company is as follows.

Dr. S Selliah	- Chairman
Mr. W M P L De Alwis, PC	- Member
Mr. H K Kaimal	- Member

1.3 Pricing

The Board of Directors are of the opinion (and have formally resolved to that effect) that the price of Rupees Seventeen (Rs. 17.00) per ordinary share is fair and reasonable to the Company and all its existing shareholders.

The basis for this decision was that the aforesaid price per share of Rupees Seventeen (Rs. 17.00) is higher than the market price of the share (the closing market price as at 31st January 2018 being Rupees Fifteen and Cents Fifty (Rs. 15.50) and the average market price for the previous 12 months being Rupees Thirteen and Cents Ten (Rs. 13.10) as well the net asset value per share of the Company being Rupees Seven and Cents Fifteen (Rs. 7.15) as at 31st December 2017 as per the latest disclosed Interim Financial Statements of the Company.

1.4 Utilization of Private Placement Proceeds

The proceeds from the aforesaid private placement be utilized to settle the short-term debt of the Company in the nature of commercial papers and the excess of the proceeds after settling the commercial papers to the fullest extent possible will be used by the Company to reduce the general indebtedness of the Company (part settlement of borrowing from Seylan Bank PLC). The Private Placement funds will be used within two months depending on the maturity of the commercial papers.

The proceeds of private placement will not be utilized to any related party transaction.

1.5 Terms and conditions applicable to the investment

The Company has agreed to grant Samena certain rights in lieu of its investment. They include the right to appoint one (01) director as long as Samena and its Affiliates own not less than ten per cent (10%) of the issued shares of the Company. There is no change in the management of the Company pursuant to the Private Placement.

1.6 Waiver of Pre-emption Rights

Article 12(i) of the Articles of Association of the Company provides for rights of pre-emption for existing shareholders where new shares which rank equally or above the existing shares are to be issued by the Company, unless the Company determines otherwise by way of a special resolution. Accordingly, in order to facilitate the effective completion of the aforesaid private placement, the Board of Directors recommends that the holders of the existing shares of the Company consider and decide by way of a special resolution, to issue shares to Samena without offering such shares to the holders of the existing shares as set out in Article 4(i) of the Articles of Association of the Company.

Private placement shares will be deposited in the CDS Account of Samena upon allotting the shares.

Following the issue of the abovementioned private placement shares, Samena will hold 19.00% of the voting rights in the Company and as such the private placement will not trigger off a mandatory offer in terms of the Takeovers and Mergers Code of the SEC Act.

1.7 Public holding of the Company

- Public Share Holding of the Company as at 31st January 2018 is 25.87%.
- Public Share Holding of the Company subsequent to the Private Placement is 20.95% (i.e. assuming that there are no further purchases of shares by people identified in the public holding definition of the Listing Rules in the market who are holding office as directors of the Company and their close family members and any part acting in concert with the said parties.

1.8 Stated capital of the Company

Description	Stated Capital (Rs.)	No. of Shares
Before the Private Placement	5,089,000,000.00	779,000,000
After the Private Placement	8,195,382,715.00	961,728,395

2. RIGHTS ISSUE OF 230,814,814 ORDINARY SHARES AT RS. 17.00 PER SHARE

With the view to strengthening the balance sheet of the Company, by retiring a portion of the debt of the Company of upto Rs. 3,923,851,838.00 from a total debt portfolio of Rs. 21,799,991,912.00 as of 31st December 2017, the details of which are given below, it was resolved to increase the Stated Capital of the Company by the issue for subscription of Two Hundred and Thirty Million Eight Hundred and Fourteen Thousand Eight Hundred and Fourteen (230,814,814) new ordinary shares, by way of Rights to the existing Ordinary Shareholders, (which includes Samena and the shares issued in the Private Placement) in the proportion of Twenty Four (24) new ordinary shares for every Hundred (100) ordinary shares held by the shareholders, as at 26th day of March 2018 following the allotment of the shares in the Private Placement, at an issue price of Rupees Seventeen (Rs. 17.00) per ordinary share, subject to the approval of the Shareholders.

For any avoidance of doubt, the shares which are to be issued by way of the Private Placement will also be entitled to the Rights Issue of shares as upon shareholders approving the Private Placement Resolution, the shares will be duly allotted.

Subsequent to the Rights Issue of Shares, the Stated Capital of the Company would increase from Rupees Eight Billion One Hundred and Ninety Five Million Three Hundred and Eighty Two Thousand Seven Hundred and Fifteen (8,195,382,715.00) to 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), and the total number of shares in issue would increase from Nine Hundred and Sixty One Million Seven Hundred and Twenty Eight Thousand Three Hundred and Ninety Five (961,728,395) ordinary shares to One Billion One Hundred and Ninety Two Million Five Hundred and Forty Three Thousand Two Hundred and Nine (1,192,543,209) ordinary shares.

The Board has resolved that in its opinion, the consideration of Rupees Seventeen (Rs. 17.00) per ordinary share at which price the shares are to be issued is fair and reasonable to the Company and to the existing Shareholders.

The Board was also of the view that a Rights Issue of shares would facilitate an opportunity to all the shareholders of the Company to invest further in the capital of the Company, pro rata to their existing shareholding, thereby permitting them to maintain their proportionate shareholding in the Company.

2.1 Share Prices for the 3 Months Commencing from December 2017

Month	High (Rs.)	Low (Rs.)	Last Traded (Rs.)	Number of Shares Traded	Number of Trades
December 2017	12.90	11.90	12.50	11,332,580	250
January 2018	15.70	12.30	15.50	29,244,916	2,625
February 2018	26.10	15.50	25.50	80,563,178	5,376

Closing Market price as at 5th March 2018 is Rs. 25.20.

2.2 Dividend History

Financial Year	Dividend Per Share (Rs.)
2016/2017	0.65
2015/2016	0.50
2014/2015	0.25

2.3 Objectives of the Rights Issue

The proceeds from the Rights Issue will be used to settle the Commercial Papers which were obtained to fund the capital projects in the leisure and retail sector. The settlement of commercial papers would be based on combination of the factors such as dates of maturity, scope for retention if needed and the rate of interest etc. The List of the Commercial Papers is given below. The range of maturity dates have been provided for each Commercial Paper Investor since there are several Commercial Papers under the same investor.

Investor	Maturity Amount	Range of maturity dates
JB Vantage Money Market Fund	1,003,129,105.38	22-02-2018 to 28-03-2018
Capital Alliance High Yield Fund	184,997,619.49	16-03-2018 to 20-07-2018
Capital Alliance Investment Grade Fund	2,643,972,166.15	02-03-2018 to 08-08-2018
Capital Alliance Income Fund	501,146,038.44	05-03-2018 to 17-08-2018
Capital Alliance Balanced Fund	2,914,032.27	29-03-2018
Guardian Acuity Money Market Fund - Zenith Holdings	251,507,841.61	17-04-2018
Mr. Felix Angelo Xavier Rasanayagam	17,054,776.16	24-04-2018
National Equity Fund	213,360,932.34	09-03-2018 to 10-05-2018
Namal High Yield Fund	754,054,359.51	02-03-2018 to 19-03-2018
NDB Wealth Money Plus Fund	918,483,528.08	23-03-2018 to 29-03-2018
NDB Wealth Growth Fund	46,086,267.80	23-03-2018
NDB Wealth Income Plus Fund	66,672,921.29	29-03-2018
Arpico Ataraxia Cash Management Trust Fund	17,616,041.78	06-03-2018
Candor Money Market Fund	54,923,726.57	16-05-2018 to 24-05-2018
Ceybank Asset Management Ltd	34,145,895.90	17-05-2018
Investrust Money Market Fund	63,370,984.89	26-02-2018
Diabetes Association of Sri Lanka	11,399,599.56	02-05-2018
Guardian Acuity Money Market Fund	223,179,054.30	12-03-2018 to 26-03-2018
First Capital Money Market Fund	262,546,628.57	27-02-2018 to 06-03-2018
Carson Cumberbatch & Co Ltd; Administrative Staff Provident Fund	33,094,278.25	03-05-2018
SAFE Holdings (Pvt) Ltd	1,544,834,110.99	02-03-2018 to 22-03-2018
Namal Acuity Value Fund	26,124,315.66	05-03-2018
FREUDENBERG SHIPPING AGENCIES LTD	36,090,727.22	08-05-2018
NSB O/A Ceybank High Yield Fund	165,120,620.97	08-03-2018 to 20-03-2018
NSB O/A Ceybank Unit Trust	51,630,712.95	05-03-2018
Namal Growth Fund, c/o Deutsche Bank	41,778,312.24	16-03-2018 to 18-05-2018
Associated Motor Finance Company PLC	103,186,146.21	29-03-2018
Co-operative Insurance Company Limited	95,774,559.00	06-07-2018
Investrust Wealth Management Limited	25,787,814.05	09-04-2018
First Capital Fixed Income Fund	82,536,675.13	07-05-2018
Mr Vinod Kishore Hirdaramani	18,925,601.08	08-08-2018
Devi Holdings (Pvt) Ltd O/A Of NDB Wealth Management Ltd	26,633,786.16	15-08-2018
SSP Corporate	209,232,746.82	19-03-2018

9,731,311,926.83

The excess of the proceeds if any shall be used by the Company after settling the commercial papers, to reduce the general indebtedness of the Company (part settlement of borrowing from Seylan Bank PLC). The funds raised through the Rights Issue will be used within three months upon completion of same.

The total borrowing from Seylan Bank PLC is Rs. 2,293,910,859.94 as at 5th March 2018. The Company hasn't taken any specific reason in selecting to settle part of the short-term borrowing of Seylan Bank PLC among other banks since the Company only use the residual amount remaining after settling the commercial papers (i.e. the amount which cannot be used to settle a commercial paper in full) to settle the general indebtedness of the Company.

2.4 The borrowing outstanding

Description	Amount as at 31 st December 2017 (Rs.)	Amount after the Utilization of Private Placement Funds (Rs.)	Amount after the Utilization of Rights Issue Funds (Rs.)
Interest bearing borrowings	9,290,924,743.00	9,290,924,743.00	9,290,924,743.00
Short-term borrowings	12,499,749,057.00	9,393,366,342.00	5,469,514,504.00
Bank overdrafts	9,318,112.00	9,318,112.00	9,318,112.00
Total	21,799,991,912.00	18,693,609,197.00	14,769,757,359.00
Gearing Ratio	3.91x	3.35x	2.65x

2.5 Specific risks associated with the objectives

There are no specific risks identified in retiring the debts as stated above.

Risk for not being able to invest the funds raised through the Rights Issue within the specified time line is very unlikely. In the event, the inability of the Company to utilize the funds for the objectives with the specified time line, same would be invested in REPO.

2.6 Disclosures in the interim financial statements and the Annual Report

Information as per the template below will be disclosed in the Interim Financial Statements and the Annual Report/s from the date of raising funds until objectives are achieved and fund are fully utilized by the Company.

Continuous Disclosure regarding status of utilization of funds raised via Rights Issue.
Rights Issue proceeds utilization as at [dd-mm-yyyy]

Objective number	Objective as per circular	Amount allocated as per circular in Rs.	Proposed date of utilization as per circular	Amount allocated from proceeds in Rs. (A)	% of total proceeds	Amount utilized in Rs. (B)	% of utilized against allocation [(B)/(A)]	Clarification if not fully utilized including if not utilized where are the funds invested (e.g. whether lent to related parties)
1.								
2.								
3.								

In the event the proceeds raised are fully utilized in terms of the objectives disclosed in the circular prior to submission of the Company's next immediate financial statements (i.e. either interim financial statements or annual report), the Company to disclose the fact that the proceeds have been utilized in its entirety as per the above template.

2.7 Application for Rights

The rights shares would be provisionally allotted to the shareholders once the resolution is approved by the shareholders at the Extraordinary General Meeting. The date of entitlement for Rights shall be as at the end of trading on the date on which the requisite resolution pertaining to the Rights Issue is passed by the shareholders.

In allocating Rights shares provisionally, the shareholding of the shareholders, as appearing in the Central Depository Systems (Private) Limited ('CDS') and the Shareholders' Register maintained by the Company will be aggregated in so far as the identity of such shareholders are available with the Company for identification purposes.

Shareholding of fractions of shares will be ignored for the allotment of rights. New ordinary shares, not duly subscribed for as at the last date of acceptance and payment specified in the Provisional Letter of Allotment and any shares representing fractional elements, will be deemed to have been declined and such declined shares will be pooled together and be allotted to Samena Ceylon Holdings Limited as the capacity of the underwriter to the Rights Issue of shares.

The new ordinary shares provisionally allotted will upon due acceptance and payment, rank *pari passu* in all respects with the existing issued ordinary shares of the Company and will qualify for all dividends declared, only after the final allotment which shall be after the last date of acceptance and payment.

Rights shares can only be renounced to the CDS. Trading of the "Rights" shall commence on the fourth (4th) Market Day from and excluding the date of dispatch of Letters of Provisional Allotment. Such trading shall continue throughout the period of renunciation to the CDS.

As per the Directive of the Securities & Exchange Commission ("SEC") made under Circular No.08/2010 dated November 22, 2010 and Circular No.13/2010 issued by the Central Depository Systems (Pvt) Ltd ("CDS") dated November 30, 2010 all Shares allotted shall be directly uploaded to the CDS Accounts.

As such, upon the requisite Resolution being passed by the shareholders at the Extraordinary General Meeting, the shareholders who wish to apply for shares in the Rights Issue are advised to indicate their CDS Account Number.

Shares allotted in respect of Letters of Acceptance which do not carry a valid CDS Account Number or which indicate an incorrect/inaccurate CDS Account Number will not be uploaded to the CDS Accounts on the date specified for upload by the Rules of the CSE. Shares allotted in respect of such acceptances will be uploaded as and when the Shareholders/Applicants forward to the Secretaries/Registrars their correct CDS Account Numbers.

2.8 Underwriting Arrangements

Mr. A K Pathirage, Chairman/Managing Director being the Major Shareholder of the Company, and Samena Ceylon Holdings Limited in writing to the Company have undertaken to take up their full entitlement of rights. Messrs H K Kaimal, R J Perera and G W D H U Gunawardena, being the other Founder Shareholders of the Company will also take up their rights entitlement.

Furthermore, all rights shares that will not be subscribed for is underwritten by Samena Ceylon Holdings Limited. Hence, the Company will raise the entire Rights Issue proceeds of Rs. 3,923,851,838.00. There is no "minimum amount" to be raised since the rights issue is underwritten.

The details of Samena Ceylon Holdings Limited is given above under the caption of Item 1. Private Placement of Shares.

Samena will not trigger off a mandatory offer in terms of the Takeovers and Mergers Code of the SEC Act.

The Company will be compliant with the public holding requirements of the CSE.

Samena Special Situations Fund III L.P., being the shareholder of Samena Ceylon Holdings (Cayman), which owns 100% of Samena Ceylon Holdings Limited (incorporated in Mauritius) and Samir J Fancy, a Board Member of Samena Capital held 58,499,019 shares (7.51%) and 4,000,000 shares (0.51%) respectively in Softlogic Holdings PLC as at 5th March 2018.

2.9 Applicability of Rules 5.4 (b) and (c) of the CSE Listing Rules

The Company at the request of Colombo Stock Exchange has written to the Securities And Exchange Commission of Sri Lanka ('SEC') on the applicability of Rules 5.4 (b) and (c) of the CSE Listing Rules in respect of allotting unsubscribed shares to Samena Ceylon Holdings Limited and in the event that the same is determined to be applicable, the Company shall seek the approval of the SEC to waive the said Rules and act accordingly as per the response received by the SEC.

3. GROUP CONTINGENT LIABILITIES

No substantial change has occurred in respect of the above since the publication of the Annual Report for the financial year 2016/2017 except for following which has been disclosed in the interim financial statements as of 31st December 2017.

- **Asiri Surgical Hospital LC**

A dispute has arisen with the Department of Inland Revenue with regard to the applicability of the income tax exemption in terms of the agreement entered between Asiri Surgical Hospital PLC and the Board of Investment of Sri Lanka (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, we are unable to provide further information on this and associated risks, in order not to impair the outcome and/or prejudice the Company's position in this matter. The aforesaid matter is coming up for argument on 18th of July 2018.

4. COMPANY CONTINGENT LIABILITIES

There is no contingent liability in respect of Softlogic Holdings PLC.

5. THE TOP 20 SHAREHOLDERS OF THE COMPANY AS AT 5TH MARCH 2018

	Name of Shareholder	No. of Shares	% of Holding (%)
1	Mr. A K Pathirage	342,764,968	44.00
2	Mr. H K Kaimal	64,870,800	8.33
3	Mr. R J Perera	60,836,700	7.81
4	Samena Special Situations Fund III L.P. *	58,499,019	7.51
5	Mr. G W D H U Gunawardena	57,527,300	7.38
6	Pemberton Asian Opportunities Fund	46,000,000	5.91
7	Commercial Bank Of Ceylon Plc/A K Pathirage	38,950,000	5.00
8	Employees Provident Fund	7,230,500	0.93
9	Mrs. A Selliah	4,236,000	0.54
10	Mr. S J Fancy	4,000,000	0.51
11	Arunodhaya (Private) Limited	3,950,000	0.51
12	Arunodhaya Investments (Private) Limited	3,950,000	0.51
13	Arunodhaya Industries (Private) Limited	3,950,000	0.51
14	Mrs. A Kailasapillai	3,800,000	0.49
15	Miss. S Subramaniam	3,800,000	0.49
16	Mr. K Aravinthan	3,500,000	0.45
17	Dr. K M P Karunaratne	3,000,000	0.39
18	Timex Garments (Pvt) Ltd	2,486,400	0.32
19	Mr. P H A K Fernando	2,368,532	0.30
20	Mas Capital (Private) Limited	2,330,447	0.30

* Samena Special Situations Fund III L.P. is an Affiliate of Samena Ceylon Holdings Limited.

6. APPROVAL FOR LISTING

Approval, in principle, has been obtained from the Colombo Stock Exchange to issue and list the new ordinary shares.

The listing of the ordinary shares by the Colombo Stock Exchange will in no way be reflective of the merits of the issue. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports included.

7. DIRECTORS' DECLARATION

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief that there are no other facts the omission of which would render any statement in the Circular misleading.

8. MANAGERS AND REGISTRARS TO THE ISSUE

Softlogic Corporate Services (Pvt) Ltd
No. 14, De Fonseka Place,
Colombo 05
Telephone: +94 11 5 575 000 Exts. - 5027, 5123 & 5383
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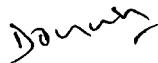
If you are in any doubt as to the action you should take, you should consult your stockbroker or other professional adviser immediately.

9. EXTRAORDINARY GENERAL MEETING

The requisite resolutions giving effect to the above proposals is set out in the attached Notice convening an Extraordinary General Meeting of the Company scheduled to be held on Monday the 26th day of March 2018.

If you are unable to be present at the Extraordinary General Meeting, a Form of Proxy is enclosed for completion (in accordance with the instructions specified therein) and the completed Form of Proxy should be deposited at the Registered Office of the Company at No. 14, De Fonseka Place, Colombo 05, not later than 48 hours before the time appointed for the holding of the Meeting.

**BY ORDER OF THE BOARD OF
SOFTLOGIC HOLDINGS PLC**



**SOFTLOGIC CORPORATE SERVICES (PVT) LTD
SECRETARIES**

5th March 2018

SOFTLOGIC HOLDINGS PLC

**Company Reg. No. PV 1536 PB/PQ
No. 14, De Fonseka Place, Colombo 05**

NOTICE OF MEETING

Notice is hereby given of an Extraordinary General Meeting of the shareholders of Softlogic Holdings PLC (the "Company") which will be held at the "Lavender Room" of Bandaranaike Memorial International Conference Hall (BMICH), Baudhaolka Mawatha, Colombo 07 on Monday the 26th day of March 2018 at 10.30 a.m. to consider, and if thought fit, to the following resolutions:

RESOLUTION NO. 01

IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) the Company shall issue One Hundred and Eighty Two Million Seven Hundred and Twenty Eight Thousand Three Hundred and Ninety Five (182,728,395) ordinary shares of the Company (the "said shares") by way of a private placement to Samena Ceylon Holdings Limited ("Samena") at a price of Sri Lanka Rupees Seventeen (Rs. 17.00) per 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). The said shares, when issued, shall constitute nineteen per centum (19.00%) of the issued ordinary shares of the Company immediately after such issue and shall rank equal and *pari passu* with the existing shares;
- (2) the shares to be issued by way of a private placement as aforesaid shall not be offered to holders of the existing shares in a manner which would, if accepted, maintain the relative voting and distribution rights of such shareholders, as set out in Article 12(i) of the Articles of Association of the Company; and
- (3) the shares are considered duly allotted upon the shareholders approving the Private Placement resolution.

RESOLUTION NO. 02

IT IS HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT:

- I. Two Hundred and Thirty Million Eight Hundred and Fourteen Thousand Eight Hundred and Fourteen (230,814,814) new ordinary shares, at a price of Sri Lanka Rupees Seventeen (Rs. 17.00) per share which is in the opinion of the Board is fair and reasonable to the Company and to all existing shareholders be offered by way of Rights Issue in the proportion of Twenty Four (24) new ordinary shares for every Hundred (100) ordinary shares held by the shareholders (which includes those issued in the private placement) as at end of trading on 26th March 2018 being the date of this Extraordinary General Meeting and be provisionally allotted thereby increasing the Stated Capital of the Company from Rupees Eight Billion One Hundred and Ninety Five Million Three Hundred and Eighty Two Thousand Seven Hundred and Fifteen (8,195,382,715.00) representing Nine Hundred and Sixty One Million Seven Hundred and Twenty Eight Thousand Three Hundred and Ninety Five (961,728,395) ordinary shares to 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) representing One Billion One Hundred and Ninety Two Million Five Hundred and Forty Three Thousand Two Hundred and Nine (1,192,543,209) ordinary shares.


- II. the fractional entitlements of Ordinary Shares will not be allotted to the relevant shareholders. Instead, the sum total of all fractions of shares will be allotted to Samena Ceylon Holdings Limited who is the underwriter to the Rights Issue of Shares.
- III. such new ordinary shares not duly subscribed for, as at the last date of acceptance and payment specified in the Provisional Letters of Allotment, be deemed to have been declined and such declined shares will be available for allotment at the same price to Samena Ceylon Holdings Limited.
- IV. the new ordinary shares so provisionally allotted shall, upon due acceptance and due payment having been received by the Company, rank *pari passu* in all respects with the existing issued ordinary shares of the Company including the right to participate in any dividend declared, only after the final allotment which shall be after the last date of acceptance and payment.
- V. the Directors shall have full power to do such acts and things required to give effect to the said Rights Issue.

RESOLUTION NO. 03

IT IS HEREBY RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) the Company shall issue totality of unsubscribed rights shares to Samena Ceylon Holdings Limited at a price of Sri Lanka Rupees Seventeen (Rs. 17.00) per ordinary share. The said shares, immediately after such issue and shall rank equal and *pari passu* with the existing shares;
- (2) the unsubscribed rights shares to be issued to Samena Ceylon Holdings Limited as aforesaid shall not be offered to holders of the existing shares in a manner which would, if accepted, maintain the relative voting and distribution rights of such shareholders, as set out in Article 12(i) of the Articles of Association of the Company.

**BY ORDER OF THE BOARD OF
SOFTLOGIC HOLDINGS PLC**



**SOFTLOGIC CORPORATE SERVICES (PVT) LTD
SECRETARIES**

5th March 2018

Note:

A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a member, to attend on behalf of him/her.

The Form of Proxy is enclosed herewith.

The completed Form of Proxy should be deposited at the Registered Office of the Company, No. 14, De Fonseka Place, Colombo 05 by 10.30 a.m. on Saturday the 24th day of March 2018 being forty eight (48) hours before the time appointed for the holding of the meeting.