Business Intelligence (Private) Limited

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Company Reg. No.: PV 4598

11th October 2021

Ms. Nilupa Perera
Head of Trading, Market Surveillance & Corporate Affairs
Colombo Stock Exchange
#04-01 West Block
World Trade Centre, Echelon Square,
Colombo 00100

Dear Madam,

MULTI FINANCE PLC
ENFORCEMENT PROCEDURE FOR INDEPENDENT AUDITOR'S REPORT CONTAINING AN EMPHASIS OF MATTER.

In terms of rule 7.5 (d) (II) (4) of the CSE Listing Rules (Enforcement Rules), Multi Finance PLC (the Company) hereby announce that the securities of the company has been transferred to the watch list as follows due to the Independent Auditor's Report on the Audited Financial Statements containing an emphasis of matter on going concern regarding non-compliance with CBSL, Minimum Core Capital Direction No. 02 of 2017

(i) on 10th July 2019 due to the Independent Auditor's Report for the year ended 31st March 2019 containing an emphasis of matter on going concern
(ii) on 14th September 2020 due to the Independent Auditor's Report for the year ended 31st March 2020 containing an emphasis of matter on going concern
(iii) on 09th July 2021 due to the Independent Auditor's Report for the year ended 31st March 2021 containing an emphasis of matter on going concern

The Company further announces that, at the request of the Company, the members of the Commission of the SEC, at their 450th meeting held on 16th June 2021, granted deferment from suspension of trading of securities of the Company until 31st December 2021, in terms of section 7.5.d.II.11, based on the Company being transferred to the Watch List on 10th July 2019.

Accordingly, the securities of the company would remain in the watch list till 31st December 2021.

Proposed action to be taken by the Company to resolve the matter

(i) Subject to approval from the Central Bank of Sri Lanka the company has forwarded a proposal to the Regulator indicating acceptance of an offer from the shareholder to comply with the proposed master plan for NBFI issued by Central Bank of Sri Lanka on 14th December 2020.

(ii) In the event the proposal is approved by the regulator the shareholder is expecting to finalize the time line to fall in line with the sector consolidation Master Plan as well as Core Capital requirement Direction No. 02 of 2017.

Directors : A D B Talwatte (Chairman) FCA Ms. C M Salgado FCIS T M M Mediwake AFA
J S Mather FCA

Continued:

The company will be Compliant with the core capital requirement under CBSL's extended timeline of, on or before the end of the year.

The Company further announces that,

(i) In the event of any deviation from the proposed remedial action, the extent of the deviation shall be communicated to the investors by way of a subsequent announcement to the market via the Exchange within one (01) Market Day from the date of obtaining the approval of the Board of Directors of the company for such deviation.

(ii) In the event the matters giving rise to the emphasis of matter on going concern are not resolved within the extended period as granted by the SEC, the trading of Securities of the Listed Entity shall be suspended. In the event the trading suspension continues for a period in excess of twelve (12) months, the securities of the Entity shall be delisted by the Board of Directors of the CSE in terms of Rule 11.3 (a) of the Listing Rules.

(iii) In the event the matters giving rise to the emphasis of matter on going concern are resolved and such fact is independently verified by an auditor during the period the Securities of the Entity are on the Watch List, it shall be announced to the Market via the CSE forthwith.

By order of the Board
MULTI FINANCE PLC
BUSINESS INTELLIGENCE (PRIVATE) LIMITED
Sgd. Mrs. C. Salgado
Director /Secretaries