



Company Reg:
PB/PQ 259

07th January 2022

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

Dear Madam,

Sinhaputhra Finance PLC ("the Company")– Emphasis of Matter on Going Concern in the Audited Financial Statements of the Annual Reports for the year ended 31st March 2021 and 31st March 2020

This is with reference to the rule 7.5(d) (ii) (A)(5) of the Colombo Stock Exchange.

In terms of Rule 7.5(d) (ii) (A)(4) of the Listing Rules, the Company was transferred to the watch list on 07th April 2021 due to the emphasis of matter on going concern contained in the Audit report for the financial year ended 31st March 2020.

Further, emphasis of matter on going concern in the Audit report for the financial year ended 31st March 2021 will be added as a reason to be on the watch list with effect from 11th January 2022.

We are in the process of taking actions to resolve such matter within the period of 15 months to avoid action under rule 7.5(d)(ii)(A)(10) of the of the CSE listing rules.

Proposed actions taken and in progress by the Company to resolve the matters giving rise to the Emphasis of Matter on Going Concern.

The said matter will be rectified through complying with the financial sector Consolidation Master Plan of Central Bank of Srilanka.

In order to comply with the same, the Company has entered in to a binding agreement on 05.01.2022 for an amalgamation with Commercial Leasing and Finance PLC and the company has communicated the same to the public by the announcement on 06.01.2022.

The Company believes that the proposed amalgamation process will be duly completed within the next three months and the matter will be resolved before the expiry of such statutory time frame.

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Further the Company 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 CSE within one (01) Market Day from the date of obtaining the approval of the Board of Directors of the Entity for such deviation;
- ii) In the event the matters giving rise to the emphasis of matter on going concern are not resolved within a period of fifteen (15) months from the date of transferring the Securities of the Entity to the Watch List, 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.

Yours faithfully,

SINHAPUTHRA FINANCE PLC



**C.Y.B. Weerakoon,
Chief Executive Officer**

C.Y.B. WEERAKOON
Chief Executive Officer,
Sinhaputhra Finance PLC.
No. 11, Hill Street,
Kandy.