

CORPORATE SERVICES (PRIVATE) LIMITED

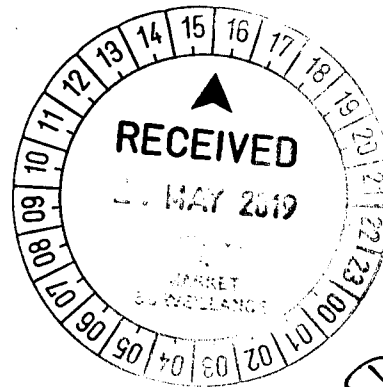


27th May 2019

Original by Hand

Copy by Telefax - 2448925

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
04-01 West Block
World Trade Centre
Colombo 1



Dear Sir,

RE: ANNOUNCEMENT - FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019 OF CENTRAL FINANCE COMPANY PLC (PO 67)

We write to inform you that the board of directors (the "Board") of Central Finance Company PLC (the "Company") has recommended the undernoted dividend payment to the shareholders of the Company for the financial year ended 31st March 2019.

FINAL DIVIDEND FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

A final dividend of Rupees One and Cents Sixty (Rs. 1.60) per share, consisting of Cents Seventy (Rs. 0.70) per share by way of a cash dividend and Cents Ninety (Rs. 0.90) per share by way of a scrip dividend amounting to a total dividend of Rupees Three Hundred Forty Nine Million Eight Hundred Fifty Seven Thousand Six Hundred Forty Three and Cents Twenty (Rs. 349,857,643.20).

The maximum number of shares to be issued as a scrip dividend as aforesaid shall be Two Million Fourteen Thousand Eight Hundred and Five (2,014,805) ordinary shares computed on the basis of the following formula.

$$\text{Number of shares to be issued} = \text{Number of shares} \times \frac{1}{108.5271413}$$

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Company number PV 13609

216, de Saram Place, Colombo 10, Sri Lanka.

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The number of shares to be eventually issued will depend on the number of residual fractions arising from the scrip dividend.

The residual fractions arising from the scrip dividend will be disregarded in its entirety and the value of such fractions (computed based on the aforesaid consideration for the shares to be issued) will be paid by cheque to the shareholders

The aforementioned ordinary shares under the scrip dividend will be issued at a consideration of Rupees Eighty Four (Rs. 84.00) per share.

With regard to the scrip dividend, the following table sets out the number of shares to be allotted, the proportion and consideration at which shares are to be issued out of the profits earned during the year, which is to be set aside for the scrip dividend based on the number of issued shares at present.

Existing ordinary shares as at date	Two Hundred Eighteen Million Six Hundred Sixty One Thousand and Twenty Seven (218,661,027)
The maximum number of shares to be issued (the number to be eventually issued will depend on the residual fractions arising which will be disregarded)	Two Million Fourteen Thousand Eight Hundred and Five (2,014,805)
Amount set aside for the scrip dividend prior to withholding tax	Rupees One Hundred Ninety Six Million Seven Hundred Ninety Four Thousand Nine Hundred Twenty Four and Cents Thirty (Rs. 196,794,924.30)
Amount of scrip dividend to be distributed out of dividends received by the company and hence exempt from further withholding tax	Nil
Balance scrip dividend liable to withholding tax	Rupees One Hundred Ninety Six Million Seven Hundred Ninety Four Thousand Nine Hundred Twenty Four and Cents Thirty (Rs. 196,794,924.30)

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Withholding tax payable on scrip dividend at 14%	Rupees Twenty Seven Million Five Hundred Fifty One Thousand Two Hundred Eighty Nine and Cents Forty (Rs. 27,551,289.40)
Amount to be capitalized (net of withholding tax)	Rupees One Hundred Sixty Nine Million Two Hundred Forty Three Thousand Six Hundred Thirty Four and Cents Ninety (Rs. 169,243,634.90)
Market price of a share as at 15 th May 2019 (which is the last trading day prior to the date of the circular resolution by the Board through which the final dividend was recommended)	Rupees Eighty Four (Rs. 84.00)
The proportion in which the shares are to be issued	One (01) for One Hundred and Eight Decimal Five Two Seven One Four One Three (108.5271413)
Total number of shares in the Company after the scrip dividend (if the maximum number of shares referred to above are issued)	Two Hundred Twenty Million Six Hundred Seventy Five Thousand Eight Hundred and Thirty Two (220,675,832)

Please note that:-

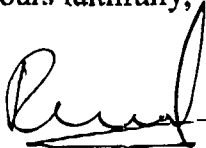
- in terms of the Articles of Association of the Company, payment of a final dividend requires the approval of the shareholders.
- the Annual General Meeting will be convened on 28th June 2019, at which the approval of the shareholders will be obtained to declare the dividend.
- the stated capital of the Company as at the date of this letter is Rupees One Billion Five Hundred Twenty Seven Million Seven Hundred Seventy Eight Thousand Two Hundred and Eighty Four (Rs. 1,527,778,284).
- the scrip dividend is subject to the Colombo Stock Exchange approving in principle the issue and listing of shares and obtaining shareholder approval in terms of the Company's Articles of Association.
- the Ex-Dividend date shall be the 1st of July 2019.
- the date of dividend payment shall be 4th July 2019.

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The Central Bank of Sri Lanka has, by letter dated 27th May, 2019, granted approval for the payment of the dividend including for the issue of the aforementioned shares as a scrip dividend.

A copy of the certificate of solvency given by the Company's auditor, M/s SJMS Associates, Chartered Accountants, for the aforesaid payments would follow, conforming to the CSE requirements. An extract of the resolution adopted by the Board is enclosed herewith.

Yours faithfully,



Director

CORPORATE SERVICES (PRIVATE) LIMITED

Secretaries

CENTRAL FINANCE COMPANY PLC

BB/AG

Encl.