

10th April 2020

**TO: Chief Executive Officers of All Listed Companies
Company Secretaries and Registrars of All Listed Companies**

CIRCULAR NO: 03-04-2020

Dear Sir/Madam,

Extension of Timelines for submission of Financial Statements and Enforcement Action

Due to the present situation prevailing in the country in the wake of COVID-19 outbreak, it would be challenging for the Listed Companies to finalize the Annual Reports and Interim Financial Statements (Financial Statements) in a timely manner. Additionally, the services of the Auditors and other external parties, which would be required for the finalization of the Annual Report, may not be available in a timely manner due to the present situation.

In view of the unique circumstances which has arisen due to the COVID – 19 pandemic, the Colombo Stock Exchange (CSE) and the Securities and Exchange Commission (SEC) have approved the following:

1. Extensions to be granted to the Listed Companies regarding the timelines for submission of Financial Statements.
2. Extension of timelines specified in the CSE Listing Rules with regard to enforcement action to be taken against Listed Companies which are non-compliant with certain specific CSE Listing Rules.
3. To refrain from taking enforcement action against Listed Companies which are unable to post/deliver the Annual Reports to the shareholders.
4. In respect of interim dividends, to reduce the time period of the XD date to be the 3rd Market day from the date of announcement, excluding the announcement.

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Enterprise Risk Management: +94 11 2448363

Details of the aforementioned extensions granted to Listed Companies are set out in the Annexure.

Yours faithfully,



Renuke Wijayawardhane
Chief Regulatory Officer

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ANNEXURE

EXTENSION OF TIME LINES FOR SUBMISSION OF FINANCIAL STATEMENTS AND ENFORCEMENT ACTIONS

(A) Extension of timelines for submission of Annual Reports & Interim Financial Statements

(i)

#	TYPE	FINANCIAL PERIOD	CURRENT DUE DATE	EXTENDED BY
1	Annual Report	31 st December 2019	31 st May 2020	2 months plus the time period from 20 th March 2020 upto the date of recommencement of trading ^{Note 1}
2	Annual Report	31 st March 2020	31 st August 2020	2 months plus the time period from 20 th March 2020 upto the date of recommencement of trading ^{Note 1}
3	Interim Financials as at 31 st March 2020	Q1	15 th May 2020	1 month plus the time period from 20 th March 2020 upto the date of recommencement of trading ^{Note 1}
4	Interim Financials as at 31 st March 2020	Q4	31 st May 2020	45 days plus the time period from 20 th March 2020 upto the date of recommencement of trading ^{Note 1}

Note 1:

Ex: The last trading date at the CSE (to date) was 20th March 2020. Assume that trading is recommenced on 15th April 2020. In such event, the extension would be for 26 days (the number of days from 20th March 2020 to 15th April 2020) plus 2 months. Therefore, in this scenario, the due date for the submission of the Annual Report for the financial year ended 31st March 2020 would be 26th November 2020.

(ii) If the Listed Company is unable to submit the Annual Reports or the Interim Financial Statements to the CSE on the due dates currently specified in the Listing Rules, the said Listed Company is required to make a disclosure to the market, on or before the due dates currently specified in the Listing Rules, setting out the reasons for the delay in submitting the

Annual Report or the Interim Financial Statements. The said disclosure must include the following:

- Turnover or a note if a company is unable to ascertain the value;
- A brief of future outlook relating to the operation and brief of applicability of Government reliefs and restrictions to the operation;
- Message to investors who wish to trade in the absence of financials/until the release of next applicable financials; and
- Whether the Listed Company has informed its directors, Key Management Personnel and other related parties who have access to unpublished price-sensitive information to take additional precautions in the event such parties intend to trade during the delayed period of information submission.

(B) Extension of Enforcement Actions

Extensions have been granted for enforcement actions of the following non-compliances with the CSE Listing Rules. For the other enforcement actions applicable for non-compliance with CSE Listing Rules which are not stated in the table below, the current time lines specified in the Listing Rules will apply.

Non-compliance	Transfer to Watch List		Trading suspension		Delisting	
	Current	New	Current	New	Current	New
Modified Audit opinion in Audited Financial Statements for the year ended 31 st December 2019 or 31 st March 2020	5 days	No Change	6 months	Trading will not be suspended Note 2	12 months	Delisting will take place after the expiry of 12 months from the date of suspension
Corporate Governance Requirements	3 months	4 months Note 3	6 months	No change Note 3	6 months	No change Note 3

Non-compliance	Transfer to Second Board	
	Current	New
Public Holding Requirement	6 Months	9 months

Note 2:

Trading will not be suspended for having a modified audit opinion, unless the Listed Company fails to resolve the modification by the next year's audited financial statement's release due date.

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Note 3:

Trading suspension and delisting of companies which are currently on the Watch List due to non-compliance with Corporate Governance requirements will be withheld until 30th June 2020. The extension applicable to transfer to the Watch List will be granted only to companies which become non-compliant with the Corporate Governance Requirements up to 30th June 2020.

(C) Other extensions/waivers for CSE Listing Rules

(i) Distribution of the Annual Report:

The CSE will not take enforcement action against Listed Companies which are unable to post/deliver the Annual Reports to the shareholders due to the prevailing conditions in the country, provided the Listed Company has submitted the Annual Report to the CSE on the due date for publication on the CSE website. This shall only be applicable until the postal services are restored.

(iii) Interim Dividends:

The XD of the Interim dividend to be computed as the 3rd Market day after the date of announcement, excluding the date of announcement. The date of payment of the dividend to be within 7 market days from XD date. This shall be applicable for announcements made/to be made up to 30th April 2020.

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