



P R O S P E C T U S
SIYAPATHA FINANCE PLC
DEBENTURE ISSUE 2017

Financial Advisors and Placement Agent to the Issue:





PROSPECTUS

**ISSUE OF TEN MILLION (10,000,000) RATED UNSECURED SUBORDINATED
REDEEMABLE DEBENTURES AT THE PAR VALUE OF LKR 100/- EACH TO
RAISE SRI LANKAN RUPEES ONE BILLION (LKR 1,000,000,000/-)**

TO BE LISTED ON THE COLOMBO STOCK EXCHANGE

Rated 'BBB+(lka)' by Fitch Ratings Lanka Limited

ISSUE OPENS ON

25th September 2017

Financial Advisors and Placement Agent



The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus.

If you are in doubt regarding the contents of this document, you should consult your stockbroker, bank manager, lawyer or any other professional advisor.

PROSPECTUS

This Prospectus is dated 18th September 2017

Responsibility for the Content of the Prospectus

This Prospectus has been prepared from the information provided by Siyapatha Finance PLC (hereinafter referred to as the “Company”, “SLFL” or the “Issuer”) and from publicly available sources.

The Directors of the Company have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of SLFL have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to SLFL and making assumptions that are considered to be reasonable at the present point in time in their best judgment.

SLFL accepts responsibility for the information contained in this Prospectus. While SLFL has taken reasonable care to ensure full and fair disclosure of information, prospective investors are advised to carefully read this Prospectus and rely on their own examination and assessment of SLFL including the risks involved, prior to making any investment decisions.

FOR ENQUIRIES, PLEASE CONTACT THE FINANCIAL ADVISORS AND PLACEMENT AGENT OR MANAGER TO THE ISSUE

The Colombo Stock Exchange (CSE) has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for accuracy of the statements made, opinions expressed or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of Debentures which is decided solely by the Issuer.

Registration of the Prospectus

A copy of the Prospectus has been delivered to the Registrar of Companies for registration in compliance with the provisions of Section 40 of the Companies Act No. 7 of 2007. The following are the documents attached to the copy of the Prospectus delivered to the Registrar of Companies for registration pursuant to Section 40 (1) of the Companies Act.

- a) The written consent of the External Auditors and Reporting Accountants of SLFL for the inclusion of their name in the Prospectus as External Auditors and Reporting Accountants to the issue and to the SLFL.
- b) The written consent of the Lawyers to the Issue for the inclusion of their name in the Prospectus as Lawyers to the Issue.
- c) The written consent of the Trustee to the Issue for the inclusion of their name in the Prospectus as Trustee to the Issue.
- d) The written consent of the Bankers to the Issue for the inclusion of their name in the Prospectus as Bankers to the Issue.
- e) The written consent of the Company Secretary & Manager to the Issue for the inclusion of his name in the Prospectus as Company Secretary and Manager to the Issue to SLFL.
- f) The written consent of the Financial Advisors and Placement Agents to the Issue for the inclusion of their name in the Prospectus as Financial Advisors and Placement Agents to the Issue.
- g) The written consent of the Registrars to the Issue for the inclusion of their name in the Prospectus as Registrars to the Issue.
- h) The written consent of the Rating Agency to the Issue for the inclusion of their name in the Prospectus as Rating Agency to the Issue.
- i) The declaration made and subscribed to, by each of the Directors of SLFL herein named as a Director, jointly and severally confirming that each of them have read the provisions of the Companies Act and the CSE Listing Rules relating to the Issue of the Prospectus and that those provisions have been complied with.

The said External Auditors and Reporting Accountants to the Issue, Lawyers to the Issue, Trustee to the Issue, Bankers to the Issue, Company Secretary, Managers to the Issue, Registrars to the Issue, Financial Advisors and Placement Agent to the Issue have not, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies in Sri Lanka, withdrawn such consent.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-Resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Representation

The Debentures are issued solely on the basis of the information contained and representations made in this Prospectus. No dealer, sales person or any other person has been authorised to give any information or to make any representations in connection with the Issue other than the information and representations contained in this Prospectus and if given or made, such information or representations must not be relied upon as having been authorised by SLFL.

Forward Looking Statements

Any statements included in this Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. These can be identified by the use of forward looking terms such as “expect”, “anticipate”, “intend”, “may”, “plan to”, “believe”, “could” and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of SLFL are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which SLFL operates and its ability to respond to them, SLFL’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of SLFL.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding SLFL’s present and future business strategies and the environment in which SLFL will operate in the future. Given the risks and uncertainties that may cause SLFL’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

Presentation of Currency Information and Other Numerical Data

The financial statements of SLFL and currency values of economic data or industry data in a local context will be expressed in Sri Lankan Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” are to the lawful currency of Sri Lanka.

Certain numerical figures in this Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

IMPORTANT

All Applicants should indicate in the Application for Debentures, their Central Depository Systems (Private) Limited (CDS) account number.

In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Applicant. Therefore Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

As per the Directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated 22nd November 2010 and Circular No. 13/2010 issued by the CDS dated 30th November 2010, all Debentures are required to be directly deposited in to the CDS. To facilitate compliance with this Directive, all Applicants are required to indicate their CDS account number.

In line with this Directive, THE DEBENTURES ALLOTTED TO AN APPLICANT WILL BE DIRECTLY DEPOSITED IN THE CDS ACCOUNT OF SUCH APPLICANT, the details of which is indicated in his/her Application Form.

PLEASE NOTE THAT DEBENTURE CERTIFICATES WILL NOT BE ISSUED.

Debentures will not be allotted to Applicants who have not indicated their CDS account details in the Application Form. Applications which do not specify a CDS account number will be rejected.

Applicants who wish to open a CDS account, may do so through a Member/Trading Member of the CSE as set out in Annexure II or through any Custodian Bank as set out in Annexure III of this Prospectus.

If the CDS account number indicated in the Application Form is found to be inaccurate/incorrect or there is no CDS number indicated, the Application will be rejected and no allotment will be made.

ISSUE AT A GLANCE

Issuer	Siyapatha Finance PLC				
Instrument	Listed Rated Unsecured Subordinated Redeemable Debentures				
Listing	The Debentures will be listed on the CSE				
Number of Debentures to be Issued	An Issue of Ten Million (10,000,000) Rated Unsecured Subordinated Redeemable Debentures				
Amount to be Raised	Sri Lankan Rupees One Billion (LKR. 1,000,000,000/-)				
Rating of SLFL	“A-(lka)/Negative” by Fitch Ratings Lanka Limited				
Instrument Rating	“BBB+ (lka)” by Fitch Ratings Lanka Limited				
Issue Price/Par value	LKR 100/- per each Debenture				
Details of Debentures (Fixed Rate Debentures)	Listed, Rated, Unsecured, Subordinated, Redeemable, Transferable, fully paid Debentures as described below:				
	<i>Tenure</i>	<i>Maturity Date</i>	<i>Rate of Interest (per Annum)</i>	<i>Annual Effective Rate (AER) (per annum)</i>	<i>Interest Payment frequency</i>
	60 Months (5 Years)	On completion of 5 years from the date of allotment	12%	12%	payable annually
<p>“RATE OF INTEREST” means the rate of twelve per centum (12%) per annum, provided however that in the event of any income tax being payable by way of withholding on the interest on the Debentures and an Interest Rate Gross up Event is applicable, the Company shall gross up the Rate of Interest such that a Debenture Holder receives an interest of twelve per centum (12%) per annum after the deduction of such withholding tax provided however that the interest so grossed up shall not exceed twelve decimal six three per centum (12.63%) per annum. When the interest is grossed up, the grossed up rate shall apply to all the Debenture Holders as per the relevant income tax statute.</p> <p>“INTEREST RATE GROSS UP EVENT” means that withholding tax is payable in terms of law on the debenture interest payment but tax credit is not available to the withholder being a company incorporated in Sri Lanka on such tax withheld under the relevant income tax statute.</p> <p>In case of such grossed up interest rate exceeds twelve decimal six three per centum (12.63%) p.a. due to the imposition of WHT, such difference will be borne by the investor.</p>					
Number of Debentures to be Subscribed	Applicants are allowed to invest in Debentures subject to the minimum subscription of One Hundred (100) Debentures (LKR10,000/-) and in multiples of One Hundred (100) Debentures (LKR 10,000/-) thereafter				
Interest Payment Date(s)	<p>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be twelve months from the Date of Allotment and every twelve months therefrom of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than three (03) Working Days from each Interest Payment Date.</p> <p>The final interest payment will be paid together with the principal sum within three (03) working days from the Date of Redemption.</p>				

Mode of Payment of Principal Sum and Interest	By way of a Cheque marked "Account Payee Only" or through an electronic fund transfer mechanism recognized by the banking system of Sri Lanka such as SLIPS and RTGS where accurate bank account details are provided by the Debenture Holders subject to the prevalent limitation with regard to SLIPS and RTGS . Cheques will only be forwarded in the absence of accurate bank details.
Issue Opening Date	25th September 2017
Closure Date of the Subscription List	<p>Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 25th September 2017 and will remain open for fourteen (14) Market days including the Issue opening date until closure at 4.30 p.m. on 13th October 2017. .</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with the notification to the CSE in the instance where the maximum of 10,000,000 Debentures being fully subscribed.</p>
Date of Allotment	The date on which the Debentures will be allotted by SLFL to Applicants subscribing thereto.
Basis of Allotment	<p>In the event of an Oversubscription, the Board of Directors of SLFL will endeavor to decide the basis of allotment of the Debentures in a fair manner within seven (07) Market days from the closure of the issue.</p> <p>The Board of Directors however shall reserve the right to allot up to 75% of the Debentures on a preferential basis to identified institutional investor/s of strategic and operational importance with whom the Company may have mutually beneficial relationships in the future, as future investors.</p>

TABLE OF CONTENTS

1.0 CORPORATE INFORMATION.....	1
2.0 RELEVANT PARTIES TO THE ISSUE.....	2
3.0 LIST OF ABBREVIATIONS.....	4
4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE.....	5
5.0 PRINCIPAL FEATURES OF THE RATED UNSECURED SUBORDINATED REDEEMABLE DEBENTURES	7
5.1 INVITATION TO SUBSCRIBE.....	7
5.2 SUBSCRIPTION LIST.....	7
5.3 OBJECTIVES OF THE ISSUE.....	7
5.4 TYPE OF DEBENTURES.....	9
5.5 PAYMENT OF INTEREST	9
5.6 TAX CONCESSION.....	10
5.7 REDEMPTION OF DEBENTURES.....	10
5.8 PAYMENT METHOD.....	10
5.9 TRUSTEE TO THE ISSUE.....	11
5.10 RATING OF THE DEBENTURES.....	11
5.11 RIGHTS AND OBLIGATIONS OF DEBENTURE HOLDERS.....	11
5.12 BENEFITS OF INVESTING IN DEBENTURE OFFERED BY THE COMPANY.....	12
5.13 RISKS INVOLVED IN INVESTING IN THE DEBENTURES.....	12
5.14 TRANSFER OF DEBENTURES.....	13
5.15 LISTING.....	14
5.16 COST OF THE ISSUE.....	14
5.17 BROKERAGE FEE.....	14
5.18 UNDERWRITING.....	14
6.0 PROCEDURE FOR APPLICATION.....	15
6.1 INSPECTION OF DOCUMENTS.....	15
6.2 ELIGIBLE APPLICANTS.....	15
6.3 HOW TO APPLY.....	16
6.4 NUMBER OF DEBENTURES TO BE SUBSCRIBED.....	19
6.5 MODE OF PAYMENT FOR THE INVESTMENT BY THE APPLICANTS.....	19
6.6 REJECTION OF APPLICATIONS.....	20
6.7 BANKING OF PAYMENTS.....	21
6.8 BASIS OF ALLOTMENT OF DEBENTURES.....	21
6.9 REFUNDS.....	21
6.10 CDS ACCOUNTS AND SECONDARY MARKET TRADING.....	22
7.0 THE COMPANY.....	23
7.1 BACKGROUND AND NATURE OF BUSINESS.....	23
7.2 VALUES.....	23
7.3 STATED CAPITAL.....	23
7.4 MAJOR SHAREHOLDERS.....	24
7.5 SUBSIDIARY COMPANIES AND THEIR PRINCIPAL ACTIVITIES.....	24
7.6 HUMAN RESOURCES.....	24
7.7 PARTICULARS OF LONG TERM LOANS AND OTHER BORROWINGS....	25
7.8 DETAILS OF OTHER DEBENTURES IN ISSUE.....	25
7.9 DETAILS OF CONVERTIBLE DEBT SECURITIES.....	25
7.10 FINANCIAL RATIOS.....	26

7.11	CONTINGENT LIABILITIES AND LITIGATION.....	26
7.12	DETAILS OF PENALTIES IMPOSED BY REGULATORY AND STATE AUTHORITIES.....	26
7.13	DETAILS OF MATERIAL CONTRACTS.....	26
7.14	FINANCIAL INFORMATION.....	27
7.15	DETAILS OF COMMISSIONS PAID.....	27
7.16	MANAGEMENT AGREEMENTS.....	27
7.17	TRANSACTIONS RELATING TO THE PROPERTY.....	27
7.18	DETAILS OF BENEFITS PAID TO PROMOTERS.....	27
7.19	DIVIDEND POLICY.....	28
7.20	TAXATION.....	28
8.0	BOARD OF DIRECTORS.....	29
8.1	DETAILS OF THE DIRECTORS.....	29
8.2	DIRECTORS' INTEREST IN SHARES OF THE COMPANY.....	33
8.3	DIRECTORS' INTEREST IN ASSETS.....	33
8.4	BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE.....	33
9.0	STATUTORY DECLARATIONS.....	34
9.1	STATUTORY DECLARATION BY THE BOARD OF DIRECTORS.....	34
9.2	STATUTORY DECLARATION BY THE MANAGER TO THE ISSUE.....	35
 Annexure I		
Copy of the Rating certificate		
 Annexure II		
Collection Points		
 Annexure III		
Custodian Banks		
 Annexure IV		
Declaration to be given by the FATCA compliant investors		

1.0 CORPORATE INFORMATION

The Company/Issuer/SLFL	Siyapatha Finance PLC
Legal Status	A Public Limited Liability Company incorporated in Sri Lanka on 3 rd March 2005 under the Companies Act No. 17 of 1982 and a finance company licensed under the Finance Business Act, No.42 of 2011.Re-registered on 18 th March 2009 under the Companies Act No. 7 of 2007.Listed on the CSE on 31 st December 2014.
Company Number	PB 917 PQ
Place of Incorporation	Colombo, Sri Lanka
Registered Address	Siyapatha Finance PLC No. 110, Sir James Peiris Mawatha, Colombo 02 Tel : +94 112303050 Fax : +94 114712013
Company Secretary	Mr. S. Sudarshan Chartered Corporate Secretary Siyapatha Finance PLC No. 110, Sir James Peiris Mawatha, Colombo 02 Tel : +94 11 4 730 409 Fax : +94 11 2 303 070
Rating Agency	Fitch Ratings Lanka Limited No. 15-04, East Tower World Trade Centre Colombo 01 Tel: +94 11 2 541 900 Fax:+94 11 2 501 903
Auditors and Reporting Accountants	Ernst & Young Chartered Accountants No. 201, De Saram Place Colombo 10. Tel: +94 11 2 463 500 Fax: +94 11 2 697 369
Board of Directors	Mr. Mahawaduge Yasalal Aravinda Perera(Chairman) Mr. Mohan Asoka Abeynaike (Deputy Chairman) Mr. Kothwala Mudiyanseelage Saman Priyantha Herath (Managing Director) Dr. Henedige Srinath Dilanjan Soysa Mr. Channa Prabodha Palansuriya Mr. Sunil Gamini Wijesinha Mr. Parakrama Maithri Asoka Sirimane Mr. Watuthanthrige Mahiman Prasantha Lal De Alwis Mr. Lasith Tharaka Ranwala

2.0 RELEVANT PARTIES TO THE ISSUE

Financial Advisors and Placement Agent to the Issue	NDB Investment Bank Limited Level 1, NDB Capital Building, No. 135, Bauddhaloka Mawatrha, Colombo 04. Tel: +94 11 2300385 Fax: +94 11 2300393
Lawyers to the Issue	Nithya Partners No. 97A, Galle Road, Colombo 03. Tel: +94 11 4 712 625 Fax: +94 11 2 328 817
Managers to the Issue	Mr. S. Sudarshan Chartered Corporate Secretary Siyapatha Finance PLC No. 110, Sir James Peiris Mawatha, Colombo 02 Tel : +94 11 4 730 409 Fax : +94 11 2 303 070
Registrars to the Issue	S S P Corporate Services (Private) Limited No. 101, Inner Flower Road, Colombo 03. Tel: +94 11 2573894 Fax: +94 11 2573609
Bankers to the Issue	Sampath Bank PLC No. 110, Sir James Peiris Mawatha, Colombo 02. Tel: +94 112303050 Fax: +94 114712013
Rating Agency to the Issue	Fitch Ratings Lanka Limited No. 15-04, East Tower, World Trade Centre, Colombo 01. Tel: +94 11 2541900 Fax: +94 11 2501903
Trustee to the Issue	Deutsche Bank AG, Colombo Branch No. 86, Galle Road, Colombo 03. Tel: +94 11 4 791 114 Fax: +94 11 2 343 336

**Auditors and Reporting
Accountants to the Issue**

Ernst & Young
Chartered Accountants
No. 201, De Saram Place,
Colombo 10.

Tel : +94 11 2 463 500

Fax: +94 11 2 697 369

3.0 LIST OF ABBREVIATIONS

AER	Annual Effective Rate
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Private) Limited
CSE	Colombo Stock Exchange
GTB	Gross Treasury Bill Rate
NIC	National Identity Card
POA	Power of Attorney
RTGS	Real Time Gross Settlements
SEC	Securities and Exchange Commission of Sri Lanka
SIA	Securities Investment Account
SLIPS	Sri Lanka Inter Bank Payment System
SME	Small and Medium Enterprises
LKR	Sri Lankan Rupees
WHT	Withholding Tax

4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

Applicant	Any person who submits an Application Form under this Prospectus.
Application Form/Application	The application form that constitutes part of this Prospectus through which an Applicant may apply for the Debentures in Issue
Closure Date	<p>Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 25th September 2017 and will remain open for fourteen (14) Market days including the Issue opening date until closure at 4.30 p.m. on 13th October 2017.</p> <p>However, the subscription list will be closed on an earlier date at 4.30 p.m. with the notification to the CSE in the instance where the maximum of 10,000,000 Debentures being fully subscribed.</p>
Company/SLFL/Issuer	Siyapatha Finance PLC
Date of Allotment	The date on which the Debentures will be allotted by SLFL to Applicants subscribing thereto
Date of Redemption	The date on which Redemption of the Debentures will take place as referred to in Section 5.7 of this Prospectus
Debentures	Rated Unsecured Subordinated Redeemable Debentures to be issued pursuant to this Prospectus
Debenture Holder(s)	Any person who is for the time being the holder of the Debentures and includes his or her respective heirs, executors, administrators or successors in title, as the case may be.
Entitlement Date	The Market Day immediately preceding the respective Interest Payment Date or Date of Redemption
Par Value	LKR 100/- per Debenture
Interest Payment Date(s)	<p>The dates on which payment of interest in respect of the Debentures shall fall due, which shall be twelve months from the Date of Allotment and every twelve months thereafter of each year from the Date of Allotment until the Date of Redemption and includes the Date of Redemption.</p> <p>Interest would be paid not later than three (03) Working Days from each Interest Payment Date.</p>
Interest Period	The twelve (12) month period from the date immediately succeeding a particular Interest Payment Date and ending on the next Interest Payment Date (inclusive of the aforementioned commencement date and end date) and shall include the period commencing from the Date of Allotment and ending on the first Interest Payment Date (inclusive of the aforementioned commencement date and end date) and the period from the date immediately succeeding the last Interest Payment Date before the Date of Redemption and ending on the date immediately preceding the Date of Redemption (inclusive of the aforementioned commencement date and end date).

Issue	The offer of Debentures pursuant to this Prospectus
Issue Price	LKR 100/- per Debenture
Market Day	A day on which trading takes place at the CSE
Non-Resident(s)	Foreign institutional investors, corporate bodies incorporated outside Sri Lanka, individual's resident outside Sri Lanka and Sri Lankans resident outside Sri Lanka
Prospectus	This prospectus dated 18 th September 2017 issued by SLFL
Subordinated	In relation to the Debentures means that the claims of the Debenture Holders shall, in the event of winding up of the Issuer, rank subsequent to all claims of the Issuer's senior debts, but in priority to and over the claims and rights of the shareholders of the Issuer; subject however to statutory provisions governing winding up of the Issuer
Registered Address	The address provided by the Debenture Holders to the CDS
Trust Deed	Trust deed executed between SLFL and Deutsche Bank AG, Colombo Branch on 18 th September 2017
Trustee	Deutsche Bank AG, Colombo Branch
Unsecured	Repayment of the principal sum and payment of interest on the Debentures are not secured by a charge on any assets of SLFL
Working Day	A day (other than a Saturday or Sunday or any statutory holiday) on which licensed commercial banks are open for business in Sri Lanka

5.0 PRINCIPAL FEATURES OF THE RATED UNSECURED SUBORDINATED REDEEMABLE DEBENTURES

5.1 INVITATION TO SUBSCRIBE

The Board of Directors of Siyapatha Finance PLC (hereinafter referred to as the “Board”) at the meeting of the Board of Directors held on 27th June 2017 resolved to raise a sum of up to Sri Lankan Rupees One Billion (LKR 1,000,000,000/-) Debentures each with a Par value of LKR 100/-

It is the intention of SLFL to list the Debentures on the CSE. The CSE has given its in-principle approval for the listing of the Debentures on the CSE.

5.2 SUBSCRIPTION LIST

Subject to the provisions contained below, the subscription list for the Debentures will open at 9.30 a.m. on 25th September 2017 and will remain open for fourteen (14) Market Days including the Issue opening date until closure at 4.30 p.m. on 13th October 2017.

However, the subscription list will be closed on an earlier date at 4.30 p.m. with the notification to the CSE in the instance where the maximum of 10,000,000 Debentures being fully subscribed.

5.3 OBJECTIVES OF THE ISSUE

Main Objective of the Debenture Issue is to

- Expand and strengthen the capital base of the Company and to maintain the Capital Adequacy requirements as stipulated by CBSL. The proposed issue would reinforce the Company’s Tier II capital and facilitate future expansion of operations and the asset base.

Total capital adequacy ratio of the Company as at 30th June 2017 stood at 11.80% (prescribed minimum ratio by CBSL is 10%) and subsequent to the Debenture issue, the Total capital adequacy ratio is expected to increase to 13.64%.

Kindly note, if there are any changes occur to circumstances due to specific risks relating to objectives of the Debenture Issue as highlighted in section 5.3, the Company may use the funds appropriately subject to obtaining prior approval from Debenture Holders by following the process as set out in the Trust Deed.

Further, the 5 year duration of the Debentures will enable the Company;

- To minimize mismatch of durations between assets and liabilities of the Company’s Balance Sheet.
- To manage the volatility in Net Interest Margin through securing funding with 5 year maturity cycle in line with the maturities of lending portfolio

The proceeds of the Debenture Issue will be utilized to expand the Company’s loan book via diverse lending products in the ordinary course of business.

Funds will be utilised on new loan disbursements which would be approximately LKR 1.0 Billion per week and funds will be used within the period of one to two weeks. The funds collected for

the Debenture Issue would be retained in the Debenture collection account prior to disbursements.

It should be noted that the proceeds of the issue would be utilized for the new loan disbursements from the date of receipt of same. Such proceeds will not be utilized to settle any outstanding borrowings of the Company.

Latest interim Financial Statements show a growth of loan portfolio of LKR 4.58 Bn (approximately) from December 2016 to June 2017. This is the net growth in loan portfolio. Net growth refers to new disbursements less settlement in the ordinary course of the business.

However, if the Company fails to lend these funds due a systematic risk (which is an improbable occurrence), the Company would opt to invest the debenture proceeds in government securities at zero default risk until the funds are fully utilized.

In the event the proceeds are fully utilised in terms of the objectives disclosed in the prospectus 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 utilised in its entirety as per the below template.

Further the information as per the template below will be disclosed in Annual Report and Interim Financial Statements from the date of raising funds until objective is achieved and funds are fully utilised.

Continuous disclosure regarding the status of utilization of funds raised via the Debenture Issue

Utilization of proceeds from Debenture Issue as at

Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus in LKR	Proposed date of utilization as per Prospectus	Amount allocated from proceeds in LKR (A)	% of total proceeds	Amount utilised in LKR (B)	% utilised against allocation (B/A)	Clarification if the proceeds are not fully utilized including where the funds are invested in any other place (eg. whether lent to related party/s etc.)

Further, the Company will not seek the shareholders' approval for the Issue as it is not applicable as per the Articles of Association of the Company. The Company has also obtained the CBSL approval for the Debenture Issue via CBSL letter dated 5th July 2017. The Company will utilize the proceeds of the Issue in the ordinary course of business and no such lending activities will be extended to related parties.

The Company utilized the proceeds of the debenture issue concluded in September 2016, towards the achievement of the objectives of the issue.

Specific Risk Relating to Objectives

Dependency of proceeds of the Issue to achieve the objectives is marginal as the Company in the ordinary course of business has access to multiple sources of funds such as different types of deposits and borrowings.

Based on the Company's experience, there is a strong growth in the loans and advances portfolio of the Company and growth of Rs. 2.3 Billion to 2.6 Billion in net loans and advances during the 1st & 2nd quarters of year 2017. Net growth refers to new disbursements less settlement in the ordinary course of the business. As there is no specific factor that may lead to non-achievement of expanding the Company's Loan Book within the specified timeline via the proceeds of the issue of Rs.1.0 Billion. However, in the highly unlikely event, the company fails to lend these funds due to an unforeseen reason; the funds would be invested in Government Securities at zero risk.

5.4 TYPE OF DEBENTURES

The issue consists of only one type of Debenture each with a par value of Rupees One Hundred (LKR 100/-).

5.5 PAYMENT OF INTEREST

Rate of Interest (per annum)	Annual Effective Rate (AER) (per annum)	Interest Payment Frequency
12%	12%	Payable annually

"RATE OF INTEREST" means the rate of twelve per centum (12%) per annum, provided however that in the event of any income tax being payable by way of withholding on the interest on the Debentures and an Interest Rate Gross up Event is applicable, the Company shall gross up the Rate of Interest such that a Debenture Holder receives an interest of twelve per centum (12%) per annum after the deduction of such withholding tax provided however that the interest so grossed up shall not exceed twelve decimal six three per centum (12.63%) per annum. When the interest is grossed up, the grossed up rate shall apply to all the Debenture Holders as per the relevant income tax statute.

"INTEREST RATE GROSS UP EVENT" means that withholding tax is payable in terms of law on the debenture interest payment but tax credit is not available to the withholders being a company incorporated in Sri Lanka on such tax withheld under the relevant income tax statute.

In **case** of such grossed up interest rate exceeds twelve decimal six three per centum (12.63%) p.a. due to the imposition of WHT, such difference will be borne by the investor.

The interest due on the Debentures for a particular Interest Period will be calculated based on the actual number of days in such Interest Period and will be paid not later than three [03] Working Days from each Interest Payment Date.

In order to accommodate the debenture interest cycles in the CDS, the payment of interest on a particular Interest Payment Date will include Debenture Holders, holding Debentures in the CDS as of the Entitlement Date.

This section is subjected to the provisions of section 5.6.

5.6 TAX CONCESSION

Interest on the Debentures will be paid after deducting any taxes and charges thereon (if any) as per the applicable laws prevalent at the time of interest payment to the Debenture Holders

“INTEREST RATE GROSS UP EVENT” means that withholding tax is payable in terms of law on the debenture interest payment but tax credit is not available to the withholder being a company incorporated in Sri Lanka on such tax withheld under the relevant income tax statute.

In case of such grossed up interest rate exceeds twelve decimal six three per centum (12.63%) p.a. due to the imposition of WHT, such difference will be borne by the investor.

Investors are advised to obtain clarifications in this regard from their tax advisors.

5.7 REDEMPTION OF DEBENTURES

The redemption of Debentures will take place on the date on which Sixty (60) months from the Date of Allotment expires.

If the date of redemption falls on a day which is not a Market Day, Debentures shall be redeemed on the subsequent Market Day, with interest payable for such intervening holidays and non-Market Days up to the date immediately preceding the Date of Redemption. For the avoidance of doubt it should be noted that no interest on interest would be payable for the aforesaid interim period.

These Debentures will not be subject to Redemption by the Company prior to the Date of Redemption.

The Debenture Holders shall not have any right or option to call for redemption of the Debentures before the date of redemption of such Debentures, except in the circumstances specified in the Trust Deed.

5.8 PAYMENT METHOD

Payment of principal and interest will be made after deducting taxes at source (if applicable) in Sri Lankan Rupees to the registered Debenture Holders only as of the Entitlement Date. In the case of joint Debenture Holders the payment of principal sum and interest will be made to the one whose name stands first in the register of Debenture Holders on the date of payment as per CDS.

The payment of principal sum and interest will be made either by cheque/s marked “Account Payee Only” dispatched to the address provided by the Debenture Holders to the CDS at the risk of the Debenture Holders or through an electronic fund transfer mechanism such as SLIPS and RTGS (only if not accommodated by SLIPS) to a bank account provided to the CDS by the applicant.

However, in the event such payment is over the maximum amount (if value is above Rs. 5.0 Mn) that can be accommodated through SLIPS, such payments will be made via RTGS mechanism or if the Debentures holder has not provided to the CDS accurate and correct details of his/her/its/their bank account for the payment of principal sum and interest, such payment to the Debenture Holder will be made by way of a cheque and sent by post at the risk of the Debenture Holder.

It is the responsibility of the Non-Resident and Foreign Investors to ensure that their SIA Accounts, through which they invest for debentures is recorded correctly against the records in CDS to dispatch their Debenture interest payments.

5.9 TRUSTEE TO THE ISSUE

Deutsche Bank AG, Colombo Branch has agreed to act as the Trustee to the Issue. The Company has entered into an agreement with the Trustee (hereinafter called the "Trust Deed"). Debenture Holders in their Application Forms for subscription, will be required to authorize the Trustee to act as the agent in entering into such deeds, writings, and instruments with the Company and to act as the agent and Trustee for the Debenture Holders.

The rights and obligations of the Trustee are set out in the Trust Deed and the Debentures will be subject to the terms and conditions incorporated in the said Trust Deed.

The fee payable to the Trustee will be LKR 50,000/- per month plus statutory levies. There is no conflict of interest with SLFL, except that the Trustee is one of the banks rendering banking related services to SLFL.

5.10 RATING OF THE DEBENTURES

Fitch Ratings Lanka Limited has assigned a credit rating of 'BBB+(lka)' to the Debentures.

Please note that the above rating is applicable for the Debentures issued through this Prospectus.

'BBB' National Ratings denote a moderate default risk relative to other issuers or obligations in the same country. However, changes in circumstances or economic conditions are more likely to affect the capacity for timely repayment than is the case for financial commitments denoted by a higher rated category.

The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

Source:

https://www.fitchratings.com/web_content/ratings/fitch_ratings_definitions_and_scales.pdf

A Copy of the rating certificate is given in Annexure I of this Prospectus.

5.11 RIGHTS AND OBLIGATIONS OF DEBENTURE HOLDERS

(a) The holders of these Debentures are entitled to:

- Receiving the interest on Interest Payment Dates at the rate of interest set out in Section 5.5 of this Prospectus and the Principal Sum on the Date of Redemption as set out in Section 5.7 of this Prospectus.
- Calling and attending meetings of Debenture Holders as set out in the Trust Deed.
- In the event of the winding up of the Company, the claims of the Debenture Holders will rank after all the claims of the secured and unsecured creditors of the Company and the preferential claims under section 365 of the Companies Act No.07 of 2007, but in priority to and over the claims and rights of the shareholders of the Company.

(b) Debenture holders *do not* have the *following* rights.

- Attending and voting at meetings of holders of shares and other debentures.

- Share the profits of SLFL.
 - Participating in any surplus in the event of liquidation.
 - Calling for redemption before maturity except in the circumstances set out in the Trust Deed.
- (c) Each Debenture Holder must ensure that the information in respect of the securities account maintained with the CDS is upto date and accurate. Each Debenture Holder shall absolve SLFL from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS. Provided further that the Debenture Holders shall absolve the CSE and the CDS from any responsibility or liability in respect of any error or inaccuracy or absence of necessary changes in the information recorded with the CDS where such errors or inaccuracies or absence of changes are attributable to any act or omission of the Debenture Holders.

5.12 BENEFITS OF INVESTING IN DEBENTURES OFFERED BY THE COMPANY

- (a) Provides an opportunity to diversify the investment portfolio of the investor.
- (b) Provides the investor with a regular cash inflow of interest payments.
- (c) Provides the investor with an opportunity to invest in Debentures issued by a leading finance company in Sri Lanka.
- (d) Being listed on the CSE, the Debentures will have a secondary market, thus providing the investor with an opportunity to exit at the market price prevailing at the time of divestiture.
- (e) The Debentures may be used as collateral to obtain credit facilities from banks and financial institutions.

Interest on debentures will be paid after deducting any taxes and charges thereon (if any) as per the applicable law prevalent.

5.13 RISKS INVOLVED IN INVESTING IN THE DEBENTURES

Subscribers to the Debentures could be exposed to the following risks.

(a) Interest Rate Risk

Provided all other factors are equal, the market price of the Debentures will generally fluctuate in the opposite direction to the fluctuation in market interest rates as determined in capital markets subsequent to the Issue. Thus, the interest rate risk could be identified as the reduction in the market price of Debentures resulting from a rise in interest rates.

(b) Reinvestment Risk

Interest on Debentures are payable annually. An investor may decide to reinvest these interest payments and earn interest from that point onwards. Depending on the prevailing interest rates at the point of reinvestment, the risk of returns generated by Debenture Holders by reinvesting such interest received being higher or lower than the return offered by the Debentures is known as reinvestment risk.

(c) Call Risk

The uncertainty to the debenture investor is when the issuer has the option of redeeming the debentures before maturity, thus being called upon to terminate the investment early is known as "Call Risk". However, these Debentures do not carry this risk as call options are not available with these Debentures.

(d) Credit Risk

Credit Risk is also referred to as default risk. This is the risk that the issuer of a debenture may default, i.e. the issuer will not be able to pay interest and principal payments on a timely basis. This risk is gauged in terms of rating assigned by different rating agencies. Fitch Ratings Lanka Limited has assigned a Long-term Rating of 'BBB+(lka)' to these Debentures and will be periodically reviewing the same.

(e) Liquidity Risk

Liquidity risk is associated with the ease in which an investment can be sold after the initial placement. In order to reduce the liquidity risk of the Debentures, SLFL has applied for a listing of these Debentures on the CSE and has received in-principle approval for such listing whereby Debenture Holders will be able to sell the Debentures through the CSE in order to convert the Debentures to cash and exit from the investment.

(f) Duration Risk

Duration is a measure of the price sensitivity of fixed income investments to a change in interest rates, based on the time to maturity of principal and coupon payments. Higher the duration, the greater the price volatility or duration risk, while a lower duration risk carries a lower risk.

5.14 TRANSFER OF DEBENTURES

- a) These Debentures shall be freely transferable and the registration of such transfer shall not be subject to any restriction, save and except to the extent required for compliance with statutory requirements.
- b) The Debentures shall be transferable and transmittable through the CDS as long as the Debentures are listed in the CSE. Subject to the provisions contained herein the Company may register without assuming any liability any transfer of Debentures, which are in accordance with the statutory requirements and rules and regulations in force for the time being as laid down by the CSE, SEC and the CDS.
- c) In the case of death of a Debenture Holder
 - i. The survivor where the deceased was a joint holder; and
 - ii. The executors or administrators of the deceased or where the administration of the Estate of the deceased is in law not compulsory the heirs of the deceased where such Debenture Holder was the sole or only surviving holder; shall be the only persons recognized by the Company as having any title to his/her Debentures.
- d) Any person becoming entitled to any Debentures in consequence of bankruptcy or winding up of any Debenture Holder, upon producing proper evidence that he/she/it sustains the character in respect of which he/she/it proposes to act or his/her title as the Board of Directors of the Company thinks sufficient may in the discretion of the Board be substituted and accordingly registered as a Debenture Holder in respect of such Debentures subject to the applicable laws, rules and regulations of the Company, CDS, CSE and SEC.

- e) No change of ownership in contravention to these conditions will be recognized by the Company.

5.15 LISTING

An application has been made to the CSE for permission to obtain a listing for the Debentures and the CSE has granted its approval in-principle for the same. It is the intention of the Company to list the Debentures on the CSE upon the allotment thereof.

The CSE however, assumes no responsibility for the correctness of the statements made or opinions expressed or reports included in this Prospectus. Admission to the official list is not to be taken as an indication of the merits of SLFL or of its Debentures.

In terms of the Finance Companies (Debt Instruments) Direction No. 03 of 2013 SLFL has obtained approval of the Central Bank of Sri Lanka to proceed with the issuance of Listed Rated Unsecured Subordinated Redeemable Debentures amounting to Rs. 1 Bn via their letter dated 5th July 2017 subject to compliance with the following directions.

1. Finance Companies (Liquid Assets) Direction No.4 of 2013
2. Finance Companies (Maximum Interest Rate on Deposits and Debt Instruments) Direction No. 02 of 2016
3. Finance Companies (Risk Weighted Capital Adequacy Ratio) Direction No.02 of 2006, Section 34 (A) & (B)

and listing on the Colombo Stock Exchange under debt listing rules of Securities and Exchange Commission of Sri Lanka.

5.16 COST OF THE ISSUE

The Board estimates that the total cost of the Issue including fees to professionals, printing, advertising and other costs connected with the Issue will be approximately LKR 9.5 Million. Such costs will be financed by the internally generated funds of the Company.

5.17 BROKERAGE FEE

Brokerage fee of 15 cents (LKR 0.15) per Debenture shall be paid in respect of the number of Debentures allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a member/trading member of the CSE or Financial Advisors and Placement Agent to the Issue or any other party identified by the Company and/or Financial Advisors and Placement Agent to the Issue as involved in the Issue.

5.18 UNDERWRITING

This Issue is not underwritten.

The offering is not conditional to any minimum amount to be raised through this Issue. In the event of an under subscription, the Company is confident that any short fall in the funds required to meet the objectives of the Issue can be financed through internally generated funds and other credit facilities, that could be obtained by the Company, at its discretion depending on the situation. Accordingly, the Company is confident that funding required to expand the loan book could be arranged through Banks/Securitization when the requirement arises.

6.0 PROCEDURE FOR APPLICATION

6.1 INSPECTION OF DOCUMENTS

Articles of Association, the Trust Deed, Auditors' Reports and Audited Financial Statements for the five(05) financial years ended 31st December 2016 (i.e. the five(05) financial years immediately preceding the date of this Prospectus), Interim Financial Statement as at 30th June 2017 and all other documents referred to in Rule 3.3.11 (a) of the CSE Listing Rules, including material contracts and management agreements entered into by the Company(if any) would be made available for inspection by the public during normal working hours, from seven (07) Market Days prior to the date of opening of the subscription list, at the registered office of the Company at No. 110, Sir James Peiris Mawatha, Colombo 02, until the Date of maturity of the Debentures.

The Prospectus, Trust Deed and Articles of Association of SLFL would be made available on the website of CSE, www.cse.lk and the website of SLFL, www.siyapatha.lk from seven (07) Market Days prior to the date of opening of the subscription list until the Date of Redemption of the Debentures as stipulated in Rule 3.3.11 (b) of the CSE Listing Rules.

Furthermore, copies of the Prospectus and Application Forms are available free of charge from the collection points set out in Annexure II of this Prospectus from seven (07) Market Days prior to the date of opening of the subscription list.

6.2 ELIGIBLE APPLICANTS

Applications are invited for the subscription of Debentures from the following categories of applicants.

- (a) Citizens of Sri Lanka, resident in Sri Lanka and above 18 years of age.
- (b) Corporate bodies and incorporated societies registered/established in Sri Lanka and authorized to invest in Debentures.
- (c) Approved unit trusts licensed by SEC.
- (d) Approved provident funds and contributory pension schemes registered/incorporated/established in Sri Lanka and authorized to invest in Debentures. In the case of approved provident funds and approved contributory pension schemes, the Application should be in the name of the trustee/board of management.
- (e) Regional and country funds approved by SEC and authorized to invest in Debentures.
- (f) Non-Residents: foreign institutional investors, corporate bodies incorporated outside Sri Lanka, individuals resident outside Sri Lanka and Sri Lankans resident outside Sri Lanka.

Applications will not be accepted from individuals and Sri Lankans residing outside Sri Lanka, who are under the age of 18 years, or in the names of sole proprietorships, partnerships or unincorporated trusts, or bodies of persons including associations, societies and clubs.

"Individuals resident outside Sri Lanka" will have the same meaning as in the notice published under the Exchange Control Act in Gazette No. 15007 dated 21st April 1972.

When permitting Non-Residents to invest in the Debentures, the Company will comply with the relevant Exchange Control Regulations including, the conditions stipulated in the notice under the Exchange Control Act with regard to the issue and transfer of debentures of companies incorporated in Sri Lanka to foreign investors as published in the Government Gazette (Extraordinary) No. 1864/39 on 28th May 2014.

6.3 HOW TO APPLY

The terms and conditions applicable to the Applicants are as follows.

- (a) Applications should be made on the Application Forms, which accompany and constitute a part of this Prospectus (exact size photocopies of Application Forms will also be accepted). Care must be taken to follow the instructions given herein and in the Application Form. Applicants using photocopies are requested to inspect the Prospectus which is available for inspection with the Registrar to the Issue and also issued free of charge by the parties listed in Annexure II of this Prospectus.

The Application Form can also be downloaded from the website of CSE, www.cse.lk, the website of SLFL, www.siyapatha.lk and the website of the Financial Advisors and Placement Agent to the Issue, www.ndbib.com until the Closure Date.

The Prospectus is available and can be downloaded from the website of CSE, www.cse.lk and the website of SLFL, www.siyapatha.lk until the Date of Redemption of the Debentures and from the website of the Financial Advisors and Placement Agent to the Issue, www.ndbib.com until the Closure Date.

Applications which do not strictly conform to instructions and other conditions set out herein or which are incomplete or illegible may be rejected.

- (b) More than one application submitted by an applicant will not be accepted. If two or more application forms are submitted Debentures from a single applicant, those would be considered as multiple applications and the SLFL will not accept such multiple applications or suspected multiple applications.
- (c) If the ownership of the Debentures is desired in the name of one Applicant, full details should be given only under the heading SOLE/FIRST APPLICANT in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.
- (d) An Applicant of a joint Application will not be eligible to apply for the Debenture through a separate Application Form either individually or jointly. Such Applicants are also deemed to have made multiple Applications and will be rejected.

In the case of joint Applications, the refunds (if any), interest payments and the Redemption will be remitted in favour of the first Applicant as identified in the Application Form.

SLFL shall not be bound to register more than three (03) natural persons as joint holders of any Debentures (except in the case of executors, administrators or heirs of a deceased member).

Joint Applicants should note that all parties should either be residents of Sri Lanka or Non-Residents.

- (e) Applications by companies, corporate bodies, societies, approved provident funds, trust funds and approved contributory pension schemes registered/incorporated/established in Sri Lanka should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and should be made under their common seal or in any other manner as provided by their articles of association or such other constitutional documents of such Applicant or as per the statutes governing them. In the case of approved provident funds, trust funds and approved contributory pension schemes, the Applications should be in the name of the trustee/board of management.
- (f) **All Applicants should indicate in the Application for Debentures, their CDS account number.**

In the event the name, address or NIC number/passport number/company number of the Applicant mentioned in the Application Form differ from the name, address or NIC number/passport number/company number as per the CDS records, the name, address or NIC number/passport number/company number as per the CDS records will prevail and be considered as the name, address or NIC number/passport number/company number of such Applicant. Therefore, Applicants are advised to ensure that the name, address or NIC number/passport number/company number mentioned in the Application Form tally with the name, address or NIC number/passport number/company number given in the CDS account as mentioned in the Application Form.

In the case of joint Applicants, a joint CDS account in the name of the joint Applicants should be indicated.

Application Forms stating third party CDS accounts, instead of Applicants' own CDS account numbers, except in the case of margin trading, will be rejected.

- (g) Applicants who wish to apply through their margin trading accounts should submit the Application Forms in the name of the "Margin Provider/Applicant's name" signed by the margin provider, requesting a direct deposit of the Debentures to the Applicant's margin trading account in the CDS. The margin provider should indicate the relevant CDS account number relating to the margin trading account in the Application Form. A photocopy of the margin trading agreement must be submitted along with the Application.

Margin providers can apply under their own name and such Applications will not be construed as multiple Applications.

- (h) Application Forms may be signed by a third party on behalf of the Applicant(s) provided that such person holds the Power of Attorney (POA) of the Applicant(s). A copy of such POA certified by a Notary Public as "True Copy" should be attached with the Application Form. **Original of the POA should not be attached.**

- (i) As per the Foreign Account Tax Compliance Act (FATCA) “US Person” must provide the duly completed declaration as per the specimen given in Annexure IV together with the Application Form. Under the provision of FATCA, “US Person” include:
- US Citizens (including an individual born in US but resident in another country who has not renounced US citizenship)
 - A lawful citizen of the US (including Green card holders)
 - A person residing in the US
 - A person who spends certain number of days in the US each year
 - US Corporations, estates and trust
 - Any entity that has a linkage or ownership to US or the US territories
 - Non US entities that have at least one US Person as a “Substantial beneficial owner”.
- (j) Funds for the investment in Debentures and the payment for Debentures by Non-Residents should be made only out of the monies **available to the credit of a “Securities Investment Account” (SIA)** of the Non-Residents opened and maintained in a licensed commercial bank in Sri Lanka in accordance with the directions given by the Controller of Exchange in that regard, to licensed commercial banks.
- An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the SIA, should be attached to the Application Form to the effect that such payment through bank draft/bank guarantee/RTGS has been made out of the funds available in the SIA.**
- (k) Non-Residents should have obtained necessary internal approvals as provided by their internal approval procedures at the time of applying for the Debentures and may be affected by the laws of the jurisdiction of their residence. If the Non-Resident Applicants wish to apply for the Debentures, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

Application Forms properly filled in accordance with the instructions thereof together with the remittance for the full amount payable on Application should be enclosed in an envelope marked **“SIYAPATHA FINANCE PLC- DEBENTURE ISSUE 2017”** on the top left hand corner in capital letters and dispatched by post or courier or delivered by hand to the Registrars to the Issue or collection points mentioned in Annexure II of this Prospectus.

Applications sent by post or courier or delivered to any collection point set out in Annexure II of this Prospectus should reach the office of the Registrars to the Issue, S S P Corporate Services (Private) Limited, No. 546, Galle Road, Colombo 03 at least by 4.30 p.m. on the following Working Day immediately upon the Closure Date. Applications received after the said period will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date or carry a postmark dated prior to the Closure Date.

Applications delivered by hand to the Registrars to the Issue after the Closure Date of the Issue will also be rejected.

Please note that Applicant information such as full name, address, NIC number/passport number/company number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information will take precedence over information provided in the Application Form.

Care must be taken to follow the instructions on the reverse of the Application Form.

Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

PLEASE NOTE THAT ALLOTMENT OF DEBENTURES WILL ONLY BE MADE IF THE APPLICANT HAS A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF THE APPLICATION.

Please note that upon the allotment of Debentures under this Issue, the allotted Debentures would be credited to the Applicant's CDS account so indicated.

6.4 NUMBER OF DEBENTURES TO BE SUBSCRIBED

Applicants may invest in the Debentures subject to a minimum of One Hundred (100) Debentures (LKR 10,000/-) and in multiples of One Hundred (100) Debentures (LKR 10,000/-).

6.5 MODE OF PAYMENT OF THE INVESTMENT BY THE APPLICANTS

- (a) Payment in full for the total value of Debentures applied for should be made separately in respect of each Application either by cheque or bank draft, as the case may be, subject to following.

Payments for Application values above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be supported by either a;

- A bank guarantee issued by a licensed commercial bank; or
- Multiple bank drafts/cheques drawn upon any licensed commercial bank operating in Sri Lanka, each of which should be for a value less than LKR 100,000,000/-; or
- RTGS transfer with value on the Issue opening date.

Multiple cheques or RTGS transfers will not be accepted for Application values below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-).

- (b) Cheques or bank drafts should be made payable to **"SIYAPATHA FINANCE PLC- DEBENTURE ISSUE 2017"** and crossed **"Account Payee Only"**, and must be honoured on the first presentation.
- (c) In case of bank guarantees, such bank guarantees should be issued by any licensed commercial bank in Sri Lanka in favour of **"SIYAPATHA FINANCE PLC- DEBENTURE ISSUE 2017"** in a manner acceptable to SLFL, and be valid for a minimum of one (01) month from the Issue opening date (25th September 2017).

Applicants are advised to ensure that sufficient funds are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue. It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

- (d) In case of RTGS transfers, such transfers should be made to the credit of **“SIYAPATHA FINANCE PLC- DEBENTURE ISSUE 2017”** bearing the account number **0029 3003 3807 at Sampath Bank PLC** with value on the Issue opening date (i.e. the funds to be made available to the above account on the Issue opening date). The applicant should obtain a confirmation from the applicant’s bank, to the effect that arrangements have been made to transfer payment in full for the total value of Debentures applied for, to the credit of **“SIYAPATHA FINANCE PLC- DEBENTURE ISSUE 2017”** bearing Account Number 0029 3003 3807 at Sampath Bank PLC with value on issue opening date (i.e. the funds to be made available to the above account on the issue opening date) and should be attached with the application form.

For RTGS transfers above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-), the applicants are entitled to an interest at the rate of four decimal five (4.5%) per annum from the date of such transfers up to the date of allotment. However, no interest will be paid if the RTGS transfers are not realized before the end of the closure date. Furthermore, even if such RTGS transfers are effected prior to the issue opening date, no interest will be paid for the period prior to the issue opening date.

- (e) Cash will not be accepted.
- (f) Payment for the Debentures by Non-Residents should be made only out of the monies available to the credit of a “Securities Investment Account” (SIA) maintained with any licensed commercial bank in Sri Lanka in accordance with the directions given by the Controller of Exchange in that regard to licensed commercial banks.

An endorsement by way of a letter by the licensed commercial bank in Sri Lanka in which the Applicant maintains the SIA, should be attached to the Application Form to the effect that such payment through bank draft/ bank guarantee/ RTGS has been made out of the funds available in the SIA.

- (g) The amount payable should be calculated by multiplying the number of Debentures applied by the Par value (LKR 100/-). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee, the Application will be rejected.
- (h) In the event that cheques are not realized within Two (2) Market days of deposit the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the application to be valid.
- (i) All cheques/bank drafts received in respect of the Applications for Debentures will be banked commencing from the Working Day immediately following the Closure Date.

6.6 REJECTION OF APPLICATIONS

Application forms and the accompanying cheques/bank drafts/bank guarantees or RTGS transfers, which are illegible or incomplete in any way and/or not in accordance with the terms, conditions and instructions, set out in this Prospectus and in the application form will be rejected at the sole discretion of the SLFL.

Applications from individuals and Sri Lankans residing outside Sri Lanka who are under the age of

18 years or in the names of sole proprietorships, partnerships and unincorporated trusts will also be rejected.

Any application form, which does not state a valid CDS account number, will be rejected.

More than one Application Form submitted by an Applicant will not be accepted and the Company reserves the right to reject such multiple applications or suspected multiple applications.

Any application form with more than three (03) natural persons as joint applicants will be rejected.

Applications delivered by hand to the Registrars to the Issue after the 'Closure Date' will be rejected. Applications received at the Registrar's office by post or courier after 4.30 p.m. on the Market Day immediately following the Closure Date, will also be rejected even if they carry a postmark dated prior to the closure date.

Applications delivered to any place mentioned in Annexure II should also reach the office of the Registrars to the issue at least by 4.30 p.m. on the Closure Date. Applications received after the said duration will be rejected even though they have been delivered to any of the said collection points prior to the Closure Date.

In the event that cheques are not realized within Two (02) Market Days of deposit and realized after such date, the monies will be refunded and no allotment of Debentures will be made. Cheques must be honoured on first presentation for the application to be valid. In the event cheques are dishonoured/returned on first presentation, such applications will be rejected.

6.7 BANKING OF PAYMENTS

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Working Day immediately after the Closure Date as set out in Section 5.2 of this Prospectus, in terms of the CSE Listing Rules.

6.8 BASIS OF ALLOTMENT OF DEBENTURES

In the event of an oversubscription, the Board of SLFL will endeavor to decide the basis of allotment in a fair manner as soon as practicable so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.

The Board however shall reserve the right to allocate up to a maximum 75% of the number of Debentures to be allotted under this issue to institutional and/or identified investor/s of strategic importance with whom SLFL might have mutually beneficial relationships in the future. SLFL reserves the right to reject any Application or to accept any Application in part only, without assigning any reason thereto.

The Company reserves the right to reject any application or to accept any application in part only, without assigning any reason therefore. A written confirmation informing successful applicants of the allotment of Debentures will be dispatched within ten (10) market days from the closure date as required by the CSE.

6.9 REFUNDS

Monies will be refunded where;

- an Application is rejected for reasons given in Section 6.6 of this Prospectus; or

- the Application is accepted only in part

The Applicants may indicate the preferred mode of refund payments in the Application Form (i.e. direct transfer via SLIPS, RTGS or cheque)

If the applicant has provided accurate and complete details of his/her bank account in the application, the Bankers to the Issue will make refund payments up to and inclusive of Rupees Five Million (LKR 5,000,000/-) to the bank account specified by the applicant, through SLIPS and a payment advice will be sent. In the event of refunds over Rupees Five Million (LKR 5,000,000/-) if the applicant has provided accurate and correct details of his/her bank account refunds will be made via RTGS or if the applicant has not provided accurate and correct details of his/her bank account in the application or if the applicant has not provided details of the bank account in the application form, the Company will make such refund payments to the applicant by way of a cheque and sent by post at the risk of the applicant.

In the case of joint Applications, the cheques will be drawn in favour of the Applicant's name appearing first in the Application Form.

It is the responsibility of Non-Residents/Foreign Investors to ensure that their SIA details are accurately provided on the application Form to forward the refund to SIA through which the application was made.

Applicants can obtain details on bank and branch codes required for providing instructions on SLIPS transfers at the following website;

http://www.lankaclear.com/product_service/8-guidelines

Refunds on Applications rejected or partly allotted Debentures would be made within ten (10) Market Days from the date of closing the issue (excluding the Closure Date). Applicants would be entitled to receive interest at the rate of the last quoted Average Weighted Prime Lending Rate (AWPLR) published in the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event that the Central Bank of Sri Lanka ceases to publish the AWPLR) plus Five *per centum* (5.00%) for the delayed period on any refunds not made within this period.

6.10 CDS ACCOUNTS AND SECONDARY MARKET TRADING

Debentures allotted will be directly deposited to the respective CDS accounts given in the Application Forms before the expiry of eighteen (18) Market Days, from the Closure Date. A written confirmation of the credit will be sent to the Applicants within two (02) Market Days of crediting the CDS account, by ordinary post to the address provided by each Applicant.

SLFL will submit to the CSE a 'Declaration' on direct upload to CDS on the Market Day immediately following the day on which the Applicants' CDS accounts are credited with the Debentures.

Trading of Debentures on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE as per the CSE Listing Rules.

7.0 THE COMPANY

7.1 BACKGROUND AND NATURE OF BUSINESS

Siyapatha Finance PLC (SLFL) (Formerly known as Sampath Leasing & Factoring Limited) is a 99.99% owned subsidiary of Sampath Bank PLC. SLFL commenced its operations in March 2005 as a Specialized Leasing Company registered under Section 34 of the Finance Leasing Act No. 56 of 2000. In 2013, SLFL obtained a Finance License under the Finance Business Act, No. 42 of 2011 which allowed the Company to accept deposits from the public.

The Company's principal lines of business are fund-based services of lease finance, hire purchase finance, factoring, granting of personal, business and gold loans. Upon receipt of finance license in 2013, the Company introduced new deposit schemes to mobilize public deposits.

The Company operates in the market with the theme "Trust and Excellence" which shows our commitment to values and ethical business practices, whilst focusing on operational efficiency and profitability whilst concentrating on the growth of market share. The Company's presence in the market encompasses an island-wide network of branches which currently include 25 main branches.

7.2 VALUES

The Core Values of SLFL are as follows.

- Creation of Learning Culture
- Empowering of Employees
- Customer Centric
- Ethical & Professional Standards
- Committed to Results
- Encourage Team Work

7.3 STATED CAPITAL

The stated capital of SLFL represents ordinary voting shares as given in the table below.

Stated Capital	As at 31 st December 2016	As at 30 th June 2017
Balance (LKR)	576,975,000	635,916,826
Number of Shares	54,124,726	55,777,146

The Company does not have non-voting, preference or any other classes of shares in issue.

Further, there was no issuance of any class of shares during the last two (02) years preceding the date of the Prospectus, except for those created as scrip dividends, details of which are as follows.

Financial year	No. of Shares issued as Scrip Dividends	Value	Date of issue
2016	1,652,420	Rs. 65,490,918.46 (subject to a dividend tax of 10%)	28 th March 2017
2015	1,624,726	Rs. 57,750,000/- (subject to a dividend tax of 10%)	28 th June 2016

7.4 MAJOR SHAREHOLDERS

The shareholders of SLFL as at 30th June, 2017 are given in the table below.

	Name of the Shareholder	Number of Shares	% Holding
1	Sampath Bank PLC (Holding Company)	55,777,139	99.999%
2	Mr. M. A. Abeynaike	1	<0.001%
3	Dr. H. S. D. Soysa	1	<0.001%
4	Mr. S. G. Wijesinha	1	<0.001%
5	Mr. W. M. P. L. De Alwis	1	<0.001%
6	Mr. M. Y. A. Perera	1	<0.001%
7	Mr. R. Samaranayake	1	<0.001%
8	Mr. S. Sudarshan	1	<0.001%
	TOTAL	55,777,146	100.000%

7.5 SUBSIDIARY COMPANIES AND THEIR PRINCIPAL ACTIVITIES

SLFL is a 99.99% owned subsidiary of Sampath Bank PLC. Further, SLFL does not have interest in subsidiary or associate company.

7.6 HUMAN RESOURCES

The human resources strength of SLFL was 473 employees as at 30th June 2017, the breakdown of which is given in the table below.

Category	Number of Employees
Senior Managers including COO and MD	12
Managers	16
Officers	35
Executives	240
Assistants	170
Grand Total	473

7.7 PARTICULARS OF LONG TERM LOANS AND OTHER BORROWINGS

The outstanding debt instruments and borrowings of the Company as at 31st December 2016 and 30th June 2017 comprise of the following categories.

	As at 31 st December 2016	As at 30 th June 2017
Category	LKR	LKR
Debentures	3,615,259,967/-	3,801,204,854/-
Loans	10,572,006,277/-	13,857,447,920/-
Public Deposits	3,362,662,009/-	4,684,377,151/-
Total	17,549,928,253/-	22,343,029,925/-

7.8 DETAILS OF OTHER DEBENTURES IN ISSUE

The details of debentures issued by SLFL and outstanding as at the date of the Prospectus, 18th September 2017 are given in the table below.

Debentures	Interest Payable Frequency	Rate of Interest	Issue Date	Maturity Date	Issue Size LKR
Rated Unsecured Subordinated Redeemable Debentures	Annually	8.90%	24.12.2014	24.12.2019	1,000,000,000
Rated Unsecured Senior Redeemable Debentures					
Type A	Annually	13.00%	20.09.2016	20.09.2019	1,421,990,000
Type B	Annually	13.50%	20.09.2016	20.09.2021	1,078,010,000

The above mentioned Debenture Holders of the Company will not be entitled to any of the rights and privileges available to the Shareholders of the Company including right to receive, to attend and vote at General Meetings of the Shareholders of the Company. Debenture Holders' rights in respect of calling and attending meetings of Debenture Holders are stated in the respective Trust Deeds.

In the event of the winding up of the Company, the claims of the above mentioned Subordinated Debenture Holders will rank after all the claims of the senior debt holders of the Company and the preferential claims under section 365 of the Companies Act No.07 of 2007, but in priority to and over the claims and rights of the shareholders of the Company.

7.9 DETAILS OF CONVERTIBLE DEBT SECURITIES

SLFL does not have any convertible debt securities in issue, as of the date of prospectus.

7.10 FINANCIAL RATIOS

Financial Ratios	As at 30th June 2017	As at 31 st December 2016
Capital Adequacy Ratios - Tier I (%) ^{##}	9.09%	10.62%
Capital Adequacy Ratios - Tier 1 + Tier II (%) ^{##}	11.80%	13.93%
Net Debt/EBITDA (Times) ^{**}	6.93	8.02
Debt/ Equity Ratio (Times) ^{***}	5.45	4.92

	2017 - June	2016 - December	2015 - December	2014 - December	2013 - December	2012 - December
Interest Cover ratio	1.26	1.32	1.68	1.52	1.34	1.42

annualized as necessary

The Company has complied with the CBSL minimum capital adequacy ratio requirement of 5.00% for Tier I and 10% for Tier 1 & Tier II

* Interest expense includes total interest expense of the Company

** Net Debt includes total debt and deposits less cash and cash equivalents. EBITDA has annualized for the year 2017.

*** Debt/Equity Ratio = $\frac{\text{Long term borrowings}}{\text{Total equity}}$

7.11 CONTINGENT LIABILITIES AND LITIGATION

CONTINGENT LIABILITIES

The details of contingent liabilities and commitments of SLFL as at 30th June 2017 are given in the table below.

Category	LKR '000
Undrawn Commitments to Lend	1,187,852
Total	1,187,852

LITIGATION AGAINST THE COMPANY

In consultation with the Company lawyers, litigation currently pending against the Company will not have a material impact on the reported financial results, or future operations, of the Company.

7.12 DETAILS OF PENALTIES IMPOSED BY REGULATORY AND STATE AUTHORITIES

There were no penalties imposed by regulatory and state authorities on SLFL.

7.13 DETAILS OF MATERIAL CONTRACTS

SLFL has not entered into any material contracts as at the date of this Prospectus other than contracts entered into in the ordinary course of business as at the date of this prospectus.

7.14 FINANCIAL INFORMATION

The following Financial Information of the company is available on the web site of www.cse.lk and the web site of the company, www.siyapatha.lk ;

- Audited financial statements of the company for the financial year ended 31st December 2016
- Interim financial statements of the company for the quarter ended 30th June 2017.
- Accountants' Report & the Summarized financial statements for the five years commencing from the year 2012

7.15 DETAILS OF COMMISSIONS PAID

No commission has been paid in the two (02) years preceding the issue or payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions, for any shares in or debentures of the company other than 15 cents per debenture paid as brokerage and 30 cents per debenture as placement agent's fees in respect of the number of debentures allotted on Applications in 2016 as brokerage. SLFL proposes to pay brokerage as described under 5.17 "Brokerage Fee" for this debenture issue.

7.16 MANAGEMENT AGREEMENTS

There are no management agreements entered into by SLFL and in force as at the date of this Prospectus other than contracts entered into in the ordinary course of business.

7.17 TRANSACTIONS RELATING TO THE PROPERTY

There is no transaction relating to the property completed within the two (02) preceding years in which any vendor of the property to SLFL or any person who is or was at the time of the transaction, a promoter or a director or proposed director of SLFL who had any interest, direct or indirect.

7.18 DETAILS OF BENEFITS PAID TO PROMOTERS

No benefit has been paid or given by SLFL within the two (02) years preceding the Issue and there are no benefits intended to be paid or given to any promoter.

7.19 DIVIDEND POLICY

The board has adopted a policy of paying out dividends to the Shareholders based on factors including but not limited to the Company's earnings, Capital requirements and the overall macro financial conditions.

	2011	2012	2013	2014	2015	2016
Dividend Payments (Rs'.000)	19,950	21,525	21,525	31,500	57,750	65,491
Dividend Per Share (Rs.)	0.38	0.41	0.41	0.60	1.10	1.21

DEBENTURE INTEREST PAYMENT DETAILS (Rs)

	2012	2013	2014	2015	2016
Gross Interest due on debentures Rs.	35,250,136/-	58,906,879/-	49,391,250/-	129,072,937/-	89,243,836/-
Debenture interest paid on due date Rs.	35,250,136/-	58,906,879/-	49,391,250/-	129,072,937/-	89,243,836/-
Debenture interest paid after the due date Rs.	-	-	-	-	-
Debenture interest not paid as of to date Rs.	-	-	-	-	-

7.20 TAXATION

The Company is not enjoying any tax concessions or any tax exemptions as at the date of this prospectus.

8.0 BOARD OF DIRECTORS

8.1 DETAILS OF THE DIRECTORS

The Board comprises nine (09) Directors out of which eight (08) are Non Executive Directors and one (01) Executive Director. Out of eight (08) Non –Executive Directors, three (03) have been declared as independent as at the date of this prospectus. They are as follows.

Mr. P. M. A. Sirimane

Dr. H. S. D. Soysa

Mr. W. M. P. L. De Alwis

Mr. Mahawaduge Yasalal Aravinda Perera - Chairman (Non-Executive, Non- Independent)

Mr. Aravinda Perera retired as the Managing Director of Sampath Bank PLC on 12th September 2016 and has over 30 years of experience in the Banking Sector. He was appointed as the Managing Director of Royal Ceramics Lanka PLC with effect from 14th March 2017. He was also appointed as an Independent Non-Executive Director of Hayleys PLC with effect from 12th September 2016 and was appointed as Chairman of the Audit Committee of Hayleys PLC. Mr. Perera has also been appointed as a member of the Board of Directors of Hayleys Industrial Solutions (Pvt) Ltd and Fentons Limited respectively.

He is a Fellow Member of the Chartered Institute of Management Accountants (UK) (FCMA) and a Fellow of the Institute of Bankers - Sri Lanka (FIB) and holds an MBA from the Post Graduate Institute of Management, University of Sri Jayawardenapura and being a Chartered Engineer (C. Eng) is a member of the Institute of Engineers (Sri Lanka) (MIESL), as well.

He was appointed as the Chairman of Siyapatha Finance PLC with effect from 7th October 2016. Currently he serves as a member of the Board Integrated Risk Management Committee, Board HR & Remuneration Committee and Board Credit Committee.

Mr. Aravinda Perera was honoured with the “CEO Leadership Achievement Award 2016” by the Asian Banker and was also the recipient of the prestigious “Platinum Honors-2014” award, awarded by the Postgraduate Institute of Management Alumni (PIMA) of Sri Jayawardenapura University.

Mr. Aravinda Perera served Sampath Bank as an Executive Director and as a member of many Board sub committees, during his tenure at Sampath Bank. Presently, he serves as a Director of SC Securities (Private) Limited which is a subsidiary of Sampath Bank PLC. He represents Sampath Bank as a Director of Lanka Bangla Finance Limited in Bangladesh and serves as a Director of Colombo Stock Exchange.

Mr. Mohan Asoka Abeynaike - Deputy Chairman (Non-Executive, Non-Independent)

Mr. Abeynaike was a Director of Sampath Bank PLC from July 1995 to December 2011. He was the President of the Institute of Chartered Accountants of Sri Lanka and was a member of the Board of the Securities & Exchange Commission of Sri Lanka. Mr. Abeynaike has been Chairman/Director of several companies and public sector organizations. He is a Fellow of the Institute of Chartered Accountants of Sri Lanka. Mr. Abeynaike was appointed as a Director of Siyapatha Finance PLC on 28th March 2012.

He is the present Chairman of the Board Related Party Transactions Review Committee and a member of the Board Credit Committee and Board Audit Committee. During the year he served as the Chairman of Board Integrated Risk Management Committee.

Mr. Abeynaike currently serves as the Chairman of Asia Pacific Investments (Pvt) Ltd and Senior Director of Pan Asia Banking Corporation PLC.

Mr. Kothwala Mudiyansele Saman Priyantha Herath - Managing Director (Executive Director)

Mr. Saman Herath is an experienced banker with 35 years' worth of experience. Beginning his banking career at Commercial Bank in 1981, he later joined Sampath Bank PLC as an Executive in the Finance Division in 1987. Mr. Herath worked his way up the proverbial ladder of the bank's hierarchy until he reached the position of Senior Deputy General Manager of Corporate Banking from which he retired in June 2015.

He later went on to take up the position of Head of Branches at Nations Trust Bank. He was also a Director of Sampath Information Technology Systems Ltd, a fully owned subsidiary of Sampath Bank and a Director of Lanka Swift User Group (Guarantee) Ltd.

A result oriented person, Mr. Herath contributed largely to the development of Sampath Bank. He was appointed as Managing Director of Siyapatha Finance PLC with effect from 5th April 2016.

He currently serves as a member of the Board Integrated Risk Management Committee, Board Credit Committee, Board HR & Remuneration Committee, Board Related Party Transactions Review Committee and Board Corporate Governance Committee.

He is a fellow Member of the Chartered Institute of Management Accountants of UK (FCMA, UK) as well as the Chartered Global Management Accountants (CGMA). Mr. Herath is also an Associate Member of the Institute of Bankers, Sri Lanka and holds a number of qualifications including, a Diploma in Credit Management from the Institute of Bankers, a Certificate in Asset and Liability Management from the Postgraduate Institute of Management and has also completed a number of courses in General and Strategic Management conducted by institutions such as The National University of Singapore.

Dr. Henedige Srinath Dilanjan Soysa - Director (Senior, Non-Executive, Independent)

Dr. Soysa obtained his Bachelor of Science Degree (B.Sc.) with first class honours in Chemistry from the University of Ceylon, Colombo and Masters (M.A) and Doctoral Degrees (PhD) in Chemistry from the University of Southern California, Los Angeles, USA.

Dr. Soysa started his working career as an Executive Officer at Grindlays Bank PLC. He has held several key corporate positions which include Management Consultant, Development Financial Corporation of Ceylon Limited and Citi Bank. In the field of leasing, he was involved in starting operations in 1983 at Mercantile Lloyds Leasing Limited from where he retired as Deputy Managing Director in 2000. He then joined Commercial Leasing Company Limited as General Manager/CEO in 2002 and served in that position until his retirement in 2010.

He was appointed to the Board of Siyapatha Finance PLC as a Director on 1st January 2011 and holds the Chairmanship of the Board Credit Committee and memberships in the Board Audit Committee and HR/Remuneration Committee. During the year he served as a member of the Board Integrated Risk Management Committee.

Currently he serves as a Director of STK Engineering (Private) Limited, STK Developers (Private) Limited, STK Properties (Private) Limited, STK Quickshaws (Private) Limited, Shalsri Investments (Private) Limited and Packserve (Private) Limited

Mr. Sunil Gamini Wijesinha - Director (Non-Executive, Non-Independent)

Mr. Sunil Wijesinha is a Chartered Engineer, a Chartered Management Accountant FCMA (UK) and has a MBA from the University of Sri Jayewardenepura. He counts vast experience in the fields of

industry, finance and management consultancy, spanning both the public and private sectors in Sri Lanka. He has served on the boards of Directors of many state organizations and public and private companies including Sri Lankan Airlines Limited, MILCO, Colombo Dockyard, Sri Lanka Standards Institution, State Plantations Corporation, National Institute of Plantation Management, Maturata Plantations Limited and Asiri Surgical Hospitals PLC. He is the former Chairman and Managing Director of Dankotuwa Porcelain PLC.

Mr. Wijesinha was appointed to the Board of Siyapatha Finance PLC on 22nd October 2008 and he is the present Chairman of the Board Corporate Governance Committee and a member of the Board Audit Committee and Board Related Party Transactions Review Committee of Siyapatha Finance PLC.

His experience in the financial services sector includes having been on the Boards of Sampath Bank PLC (as Deputy Chairman), National Development Bank PLC (as Chairman), Merchant Bank of Sri Lanka PLC (as Managing Director), Employees' Trust Fund Board (as Chairman), Merchant Credit of Sri Lanka (as Chairman), Lanka Securities (Pvt) Limited, DNH Financial (Private) Limited and DFCC Vardhana Bank PLC.

Mr. Wijesinha has specialized in Industrial Engineering/ Productivity and is a well-known proponent of Japanese style management.

Mr. Wijesinha currently serves as the Chairman of Watawala Plantations PLC, Watawala Dairy Ltd., RIL Property PLC, United Motors Lanka PLC, Unimo Enterprises Ltd, Orient Motors Co. Ltd, UML Property Development Ltd, UML Heavy Equipment Ltd, TVS Automotives (Pvt) Ltd, Director of BizEx Consulting (Private) Limited, TVS Lanka (Pvt) Ltd and Sampath Centre Limited. He is a Past President of the National Chamber of Commerce of Sri Lanka and a Trustee of the Employers' Federation of Ceylon.

Mr. Parakrama Maithri Asoka Sirimane - Director (Non-Executive, Independent)

Mr. Sirimane is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka and holds a MBA with Distinction from the University of Swinburne, Victoria, Australia.

He has held several key corporate positions, including the positions of Chief Financial Officer of Sri Lanka Telecom PLC and Managing Director/Chief Executive Officer of Mercantile Leasing Limited.

He was appointed as a Director to the Board of Siyapatha Finance PLC on 3rd August 2010. He is the Chairman of Board Audit Committee and a member of the Board Corporate Governance Committee and Board Related Party Transaction Review Committee. During the year he served as the Chairman of Board Related Party Transactions Review committee, member of the Board Integrated Risk Management Committee and Board HR & Remuneration Committee.

He currently serves as a Director/Chief Financial Officer of E.B Creasy & Co PLC and its Subsidiaries.

Mr. Channa Prabodha Palansuriya - Director (Non-Executive, Non-Independent)

Mr. Channa Palansuriya earned Master of Business Administration from Open University of Malaysia and gained over thirty years of extensive experience in the Apparel sector by heading the Orit Group of companies and through continuous leadership given to other companies in the Apparel Industry. Further being a Board member of the BOI for ten years, he added wide experience in Government Administration. He has won awards such as Asia Pacific Outstanding Entrepreneurship Award in 2013, Sri Lankan Entrepreneur of the Year in 2002 and the Silver Award of the National Chamber of Exporters of Sri Lanka for the Garment Extra Large category in 2004.

He served as the Chairman of Siyapatha Finance PLC till October, 2016 and continues to serve the Board as a director of the Company. Presently he serves as the Chairman of Board Integrated Risk Management Committee.

He was also a Board Member of Sri Lanka Institute of Textile & Apparel, Chairman of Apparel Exporters' Association 200 gfp during 2006-2008 and Chairman of GC Lanka Clothing (Pvt) Limited till 2013.

Currently he serves as the Chairman of Sampath Bank PLC, Deputy Chairman of National Livestock Development Board, Director of Orit Apparels Lanka (Pvt) Limited and Orit Trading Lanka (Pvt) Limited, Executive Committee member of Joint Apparel Association Forum (JAAF), Apparel Exporters Association gfp and Sri Lanka Apparel Sourcing Association (SLASA).

Mr. Watutanthrige Mahiman Prasantha Lal De Alwis - Director (Non-Executive, Independent)

Mr. Alwis was a Director of Sampath Bank from January 2002 to January 2011. He continues to be an Advisor to the Board of Sampath Bank since January 2011. Mr. Alwis has been an attorney-at-law since 1983 and holds LL.B and LL.M in Law from University of Colombo. He was a former State Counsel at the Attorney General's Department and was appointed as a President Counsel in November 2012. He also obtained a Diploma in Marketing from the Chartered Institute of Marketing UK.

Mr. Alwis was appointed to the Siyapatha Board on 25th February 2011. He is the Chairman of Board HR & Remuneration Committee and holds memberships of Board Integrated Risk Management Committee, Board Corporate Governance Committee and Board Related Party Transaction Review Committee of Siyapatha Finance PLC.

He was a member of the Consumer Affairs Authority, Board of Sri Lanka Foreign Employment Agency and Official Language Commission in Sri Lanka.

Mr. Alwis is a Certified National Trainer in Human Resource Management of the Junior Chamber International and visiting lecturer of Faculty of Law, University of Colombo, including subjects of Banking in LL.M Programme and Sri Lanka Law College. He currently serves as a Director of Softlogic Holdings and Coral Sands Hotel (Pvt) Ltd. He was appointed as Honorary Consul of Seychelles in Sri Lanka in October 2013. He is also a Member of Board of Management Centre for Human Right Development - University of Colombo and Law faculty Board of University of Colombo.

Mr. Lasith Tharaka Ranwala - Director (Non-Executive, Non-Independent)

Mr. Ranwala is the Senior Deputy General Manager (Consumer Banking) of Sampath Bank PLC responsible for overseeing the areas of the entire retail banking business of the Bank including the Branch network. He is also responsible for Marketing, Deposit Mobilization and Credit Cards. Mr. Ranwala is also one of the Pillar Heads for the CSR activities of the Bank. He has over 15 years' experience in the Banking Industry in roles of increasing responsibility in Marketing & Retail Banking. During this period he had stints in Brand Management, Corporate communications, Market Development, CSR, Consumer and International Marketing.

Mr. Ranwala is a Fellow of CIM (UK) and a member of SLIM. He possesses a postgraduate Diploma in Marketing (CIM - UK) and is a Chartered Marketer. He is also a Certified Professional Marketer (CPM) of the Asia Pacific Marketing Federation. He has won numerous awards both locally and internationally which includes the "Brand Leadership Award in 2006" and the 'Marketing Professional of the year in 2014' at the CMO ASIA Global Brand Excellence Awards. Mr. Ranwala is the Vice President of the International Advertising Association (IAA) Sri Lanka and also a Board Member of the CSR Sri Lanka (Guarantee) Limited, which is the apex body for promoting CSR initiatives in Sri Lanka.

Mr. Ranwala was appointed as a Director to the Board of Siyapatha Finance PLC on 28th July, 2015 and he is a Member of Board Credit Committee and Board Integrated Risk Management Committee.

8.2 DIRECTORS' INTEREST IN SHARES OF THE COMPANY

The Directors of SLFL held the following shares in the Company as at 30th August, 2017.

Name of the Director	Number of Shares
Mr. Mahawaduge Yasalal Aravinda Perera	01
Mr. Mohan Asoka Abeynaike	01
Mr. Kothwala Mudiyanse Lage Saman Priyantha Herath	-
Dr. Henedige Srinath Dilanjan Soysa	01
Mr. Channa Probodha Palansuriya	-
Mr. Sunil Gamini Wijesinha	01
Mr. Parakrama Maithri Asoka Sirimane	-
Mr. Watuthanthrige Mahiman Prasantha Lal De Alwis	01
Mr. Lasith Tharaka Ranwala	-

8.3 DIRECTORS' INTEREST IN ASSETS

The Directors of SLFL hold no interest in acquisition, disposal, or lease of any asset of SLFL during the past two (02) years preceding the Issue and have not proposed to acquire, dispose or lease any asset of SLFL, during the two (02) years succeeding the Issue.

8.4 BOARD RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Board established the Board Related Party Transactions Review Committee with effect from 27th January, 2015 in terms of the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 of the Listing Rules of the CSE.

The Board Related Party Transactions Review Committee currently consist of five members, the composition of which is as follows:

Mr. M. A. Abeynaike	(Chairman, Non-Executive, Non-Independent)
Mr. P M A Sirimane	(Non-Executive, Independent)
Mr. S. G. Wijesinha	(Non-Executive, Non-Independent)
Mr. W. M. P. L. De Alwis	(Non- Executive, Independent)
Mr. K. M. S. P. Herath	(Executive Director)

9.0 STATUTORY DECLARATIONS

9.1 STATUTORY DECLARATION BY THE BOARD OF DIRECTORS

We, the undersigned who are named herein as Directors of Siyapatha Finance PLC hereby declare and confirm that we have read the provisions of CSE Listing Rules and of the Companies Act No. 7 of 2007 and any amendments thereto relating to the issue of the Prospectus and those provisions have been complied with.

"This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of Siyapatha Finance PLC have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to Siyapatha Finance PLC and making assumptions that are considered to be reasonable at the present point in time in our best judgment.

An application has been made to the CSE for permission to deal in and for a listing of Debentures issued by Siyapatha Finance PLC and those Debentures which are the subject of this Issue.

Such permission will be granted when Debentures are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of Siyapatha Finance PLC or of the Debentures issued.

The Common Seal of Siyapatha Finance PLC is affixed.

Name of Directors	Designation	Signature
Mr. Mahawaduge Yasalal Aravinda Perera	Chairman (Non- Executive, Non-Independent)	Sgd.
Mr. Mohan Asoka Abeynaïke	Deputy Chairman (Non Executive, Non-Independent)	Sgd.
Mr. Kothwala Mudiyanseilage Saman Priyantha Herath	Managing Director (Executive)	Sgd.
Dr. Henedige Srinath Dilanjan Soysa	Senior Director (Non-Executive, Independent)	Sgd.
Mr. Channa Probodha Palansuriya	Director (Non- Executive, Non-Independent)	Sgd.
Mr. Sunil Gamini Wijesinha	Director (Non-Executive, Non-Independent)	Sgd.
Mr. Parakrama Maithri Asoka Sirimane	Director (Non-Executive, Independent)	Sgd.
Mr. Watuthanthrige Mahiman Prasantha Lal De Alwis	Director (Non- Executive, Independent)	Sgd.
Mr. Lasith Tharaka Ranwala	Director (Non- Executive, Non-Independent)	Sgd.

9.2 STATUTORY DECLARATION BY THE MANAGER TO THE ISSUE

I, S. Sudarshan- Company Secretary, Siyapatha Finance PLC of No.110, Sir James Peiris Mawatha, Colombo 02 being the Manager to the Debenture Issue of Siyapatha Finance PLC, hereby declare and confirm that to the best of my knowledge and belief the Prospectus constitutes full and true disclosure of all material facts about the Issue and Siyapatha Finance PLC.

Given on this eighteenth day of September 2017

(Sgd.)

Company Secretary – Siyapatha Finance PLC

ANNEXURE I - COPY OF THE RATING CERTIFICATE

5/25/2017

[Press Release] Fitch Assigns Siyapatha's Subordinated Debt Final 'BBB+(lka)'

Siyapatha Finance PLC (/gws/en/esp/issr/91315307)

FitchRatings

Fitch Assigns Siyapatha's Subordinated Debt Final 'BBB+(lka)'

Fitch Ratings-Colombo-27 August 2017: Fitch Ratings Lanka has assigned Siyapatha Finance PLC's (Siyapatha; A-(lka)/Negative) subordinated redeemable debentures of up to LKR1 billion a final National Long-Term Rating of 'BBB+(lka)'.

The assignment of the final rating follows the receipt of final documents that conform to information previously received. The final rating is at the same level as the expected rating assigned on 21 July 2017.

The debentures will have a five-year tenor with bullet principal repayment at maturity. Coupon payments will be made annually at a fixed rate. The debentures will be listed on the Colombo Stock Exchange. Siyapatha expects to use the proceeds to strengthen its regulatory Tier 2 capital and to fund its loan book.

KEY RATING DRIVERS

IDRS, NATIONAL RATINGS AND SENIOR DEBT

The debentures are rated one notch below Siyapatha's National Long-Term Rating to reflect their subordination to senior unsecured creditors.

Siyapatha's National Long-Term Rating was last affirmed at 'A-(lka)' with a Negative Outlook on 21 July 2017. Siyapatha's rating reflects Fitch's view that support would be forthcoming from its parent, Sampath Bank PLC (A+(lka)/Negative), which owns 100% of Siyapatha and is involved in the strategic direction of Siyapatha through board representation. Siyapatha is rated two notches below its parent because of Siyapatha's limited contribution to the group's core businesses; the group leasing book accounted for just 7% of group advances at end-2016, of which Siyapatha provided 42%. In addition Siyapatha's contribution to group profit remains low and Siyapatha is branded independently from its parent.

RATING SENSITIVITIES

IDRS, NATIONAL RATINGS AND SENIOR DEBT

The assigned subordinated debt ratings will move in tandem with Siyapatha's National Long-Term Ratings.

Siyapatha's rating could change if Sampath Bank's ability or propensity to provide support to Siyapatha changes, although Fitch does not expect any material change in the short to medium term.

Contact:

Primary Analyst

Dilranie Mudannayke

Analyst

+941 1254 1900

Fitch Ratings Lanka Ltd

15-04, East Tower, World Trade Centre

Colombo 1,

Sri Lanka

Secondary Analyst

Sugath Alwis, CFA

Analyst

+941 1254 1900

Committee Chairperson

Jonathan Lee

Senior Director

FITCH RATINGS LANKA LTD.

Maninda Wickramasinghe
MD/CEO

Sampath Bank PLC has a 1.78% equity stake in Fitch Ratings Lanka Ltd. No shareholder other than Fitch, Inc. is involved in the day-to-day rating operations of, or credit reviews undertaken by, Fitch Ratings Lanka Ltd.

Note to editors: Fitch's National ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(lka)' for National ratings in Sri Lanka. Specific letter grades are not therefore internationally comparable.

FITCH RATINGS LANKA LTD.



Maxinda Wickramasinghe
MD/CEO

Media Relations: Leslie Tan, Singapore, Tel: +65 67 96 7234, Email: leslie.tan@fitchratings.com.

Additional information is available on www.fitchratings.com

Applicable Criteria

Global Bank Rating Criteria (pub. 25 Nov 2016) (<https://www.fitchratings.com/site/re/891051>)

Global Non-Bank Financial Institutions Rating Criteria (pub. 10 Mar 2017)

(<https://www.fitchratings.com/site/re/895236>)

National Scale Ratings Criteria (pub. 07 Mar 2017) (<https://www.fitchratings.com/site/re/895106>)

Additional Disclosures

Solicitation Status (<https://www.fitchratings.com/site/pr/1028335#solicitation>)

Endorsement Policy (<https://www.fitchratings.com/regulatory>)

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://WWW.FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://www.fitchratings.com/understandingcreditratings) (<https://www.fitchratings.com/understandingcreditratings>). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM (<https://www.fitchratings.com>). PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. DIRECTORS AND SHAREHOLDERS RELEVANT INTERESTS ARE AVAILABLE AT [HTTPS://WWW.FITCHRATINGS.COM/SITE/REGULATORY](https://www.fitchratings.com/site/regulatory) (<https://www.fitchratings.com/site/regulatory>). FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2017 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the

availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001

Solicitation Status

Fitch Ratings was paid to determine each credit rating announced in this Rating Action Commentary (RAC) by the obligator being rated or the issuer, underwriter, depositor, or sponsor of the security or money market instrument being rated, except for the following:

Endorsement Policy - Fitch's approach to ratings endorsement so that ratings produced outside the EU may be used by regulated entities within the EU for regulatory purposes, pursuant to the terms of the EU Regulation with respect to credit rating agencies, can be found on the EU Regulatory Disclosures (<https://www.fitchratings.com/regulatory>) page. The endorsement status of all International ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for all structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.

FITCH RATINGS LANKA LTD.

 Maninda Wickramasinghe
 MD/CEO

ANNEXURE II-COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

Manager/ Secretary to the Issue Mr.S. Sudarshan Company Secretary Siyapatha Finance PLC 110, Sir James Peiris Mawatha, Colombo 02 Tel: +94 11 4730409 Fax: +94 11 2303070	Registrars to the Issue S S P Corporate Services (Private) Limited No. 101, Inner Flower Road Colombo 03 Tel: +94 11 2573894 Fax: +94 11 2573609	Bankers to the Issue Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02 Tel: +94 112303050 Fax: +94 114712013 2 341 044
Financial Advisors and Placement Agent to the Issue NDB Investment Bank Limited Level 1, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04. Tel: +94 11 2 300 385 Fax: +94 11 2 300 393		

Members of the CSE

<p>Acuity Stockbrokers (Private) Limited 53, Dharmapala Mawatha, Colombo 03.</p> <p>Tel: +94 11 2 206 206 Fax: +94 11 2 206 298-9 E-mail: sales@acuitystockbrokers.com</p>	<p>Asha Phillip Securities Limited No. 321, Galle Road, 2nd Floor, Lakshman's Building, Colombo 03.</p> <p>Tel: +94 11 2 429 100 Fax: +94 11 2 429 199 E-mail: apsl@ashaphillip.net</p>
<p>Asia Securities (Private) Limited 2nd Floor, No. 176/1-2/1, Thimbirigasyaya Road, Colombo 5.</p> <p>Tel: +94 11 7 722 000 Fax: +94 11 2 584 864 E-mail: marketinfo@asiasecurities.lk</p>	<p>Assetline Securities (Private) Limited 120, 120A, Pannipitiya Road, Battaramulla.</p> <p>Tel: +94 11 4 700 100 Fax: +94 11 4 700 112, +94 11 4 700 101 E-mail: colombo.dpglobal@dpmcfs.com</p>
<p>Bartleet Religare Securities (Private) Limited Level "G", "Bartleet House" 65, Braybrooke Place, Colombo 02</p> <p>Tel: +94 11 5 220 200 Fax: +94 11 2 434 985 E-mail: info@bartleetstock.com</p>	<p>Capital TRUST Securities (Private) Limited 42, Sir Mohamed Macan Markar Mawatha, Colombo 03.</p> <p>Tel: +94 11 2 174 174, +94 11 2 174 175 Fax: +94 11 2 174 173 E-mail: inquiries@capitaltrust.lk</p>
<p>CT CLSA Securities (Private) Limited 4-14, Majestic City, 10, Station Road, Colombo 04.</p> <p>Tel: +94 11 2 552 290-4 Fax: +94 11 2 552 289 E-mail: info@ctclsal.lk</p>	<p>First Capital Equities (Pvt) Limited No. 2, Deal Place, Colombo 03.</p> <p>Tel: +94 11 2 639 898 Fax: +94 11 5 736 264 E-mail: equity@firstcapital.lk</p>

<p>J B Securities (Private) Limited 150, St. Joseph Street, Colombo 14.</p> <p>Tel: +94 11 2 490 900 Fax: +94 11 2 430 070 E-mail: jbs@jb.lk</p>	<p>John Keells Stockbrokers (Private) Limited 186, Vauxhall Street, Colombo 02.</p> <p>Tel: +94 11 2 306 250 Fax: +94 11 2 342 068 E-mail: jkstock@keells.com</p>
<p>Lanka Securities (Private) Limited 228/1, Galle Road, Colombo 04.</p> <p>Tel: +94 11 4 706 757, +94 11 2 554 942 Fax: +94 11 4 706 767 E-mail: lankasec@sltnet.lk</p>	<p>Nation Lanka Equities (Private) Limited 44, Guildford Crescent, Colombo 07.</p> <p>Tel: +94 11 4 658 658 Fax: +94 11 2 688 899 E-mail: info@nlequities.com</p>
<p>NDB Securities (Private) Limited Level 2, NDB Capital Building, No. 135, Bauddhaloka Mawatha, Colombo 04.</p> <p>Tel: +94 11 2 314 170-8, +94 11 2 131 000 Fax: +94 11 2 314 181 E-mail: mail@ndbs.lk</p>	<p>SC Securities (Private) Limited 5thFloor, No. 26B, Alwis Place, Colombo 03.</p> <p>Tel: +94 11 4 711 000, +94 11 4 711 001 Fax: +94 11 2 394 405 E-mail: itdivision@sampathsecurities.lk</p>
<p>Somerville Stockbrokers (Private) Limited No. 1A, Parkway, Park Road, Colombo 5.</p> <p>Tel: +94 11 2 502 852, +94 11 2 502 854, +94 11 2 502 858, +94 11 2 502 862 Fax: +94 11 2 502 596 E-mail: ssb-web@sltnet.lk</p>	

Trading Members

Softlogic Stockbrokers (Private) Limited No. 6, 37 th Lane, Queens Road, Colombo 03. Tel: +94 11 7 277 000 Fax: +94 11 7 277 099 Email: ssb.inquiry@softlogic.lk	Capital Alliance Securities (Private) Limited Level 5, "Millennium House" 46/58, Navam Mawatha Colombo 02 Tel: +94 11 2 317 777 Fax: +94 11 2 317 788 Email: info@cal.lk
Claridge Stockbrokers (Private) Limited 97, Ananda Rajakaruna Mawatha, Colombo 10. Tel: +94 11 2 697 974 Fax: +94 11 2 689 250 E-mail: csb@mackwoods.com	First Guardian Equities (Private) Limited 32 nd Floor, East Tower World Trade Centre Echelon Square Colombo 01 Tel: +94 11 5 884 400 Fax: +94 11 5 884 401 E-mail: info@firstguardianequities.com
Candor Equities Limited Level 8, South Wing Millennium House 46/58, Navam Mawatha Colombo 02 Tel: +94 11 2 359 100 Fax: +94 11 2 305 522 E-mail: info@candorh.com	LOLC Securities (Private) Limited 481, T. B. Jayah Mawatha, Colombo 10. Tel: +94 11 5 889 889 Fax: +94 11 2 662 883 E-mail: info@lolcsecurities.com
SMB Securities (Private) Limited 02, Gower Street Colombo 05. Tel: +94 11 4 388 138 Fax: +94 11 2 670 294 E-mail: info@smbsecurities.lk	Richard Pieris Securities (Pvt) Limited 55/20, Vauxhall Lane, Colombo 02 Tel: +94 11 7 448 900, +94 11 5 900 800 Fax: +94 11 2 330 711 E-mail: rpfs@rpsecurities.com
Taprobane Securities (Private) Limited 2 nd Floor, No. 10, Gothami Road Colombo 08 Tel: +94 11 5 328 200, +94 11 5 328 100 Fax: +94 11 5 328 177 E-mail: contact@taprobane.lk	TKS Securities (Private) Limited 4 th Floor, No. 245, Dharmapala Mawatha, Colombo 7. Tel: +94 11 7 857 799 Fax: +94 11 7 857 857 E-mail: info@tksl.lk

Enterprise Ceylon Capital (Private) Limited 26 th Floor, East Tower, World Trade Centre, Echelon Square, Colombo 01. Tel: +94 11 2 372 541 Fax: +94 11 2 375 541 E-mail: info@ecc.lk	Navara Securities (Private) Limited No. 12B, Gregory's Road, Colombo 07. Tel: +94 11 2 358 700/20, Fax: +94 11 5 005 551 E-mail: info@navarasecurities.lk
--	---

Trading members (Debt)

<p>First Capital Markets Limited No. 2, Deal Place, Colombo 3.</p> <p>Tel: +94 11 2 639 898, +94 11 2 681 888 Fax: +94 11 2 639 899, + 94 11 2 576 866 E-Mail: info@firstcapital.lk</p>	<p>Capital Alliance Limited Level 5, "Millennium House" 46/58, Navam Mawatha, Colombo 02.</p> <p>Tel: +94 11 2317777 Fax: +94 11 2317788 Email: info@cal.lk</p>
<p>Wealthtrust Securities Limited No. 32, Dudley Senanayake Mawatha, Colombo 08.</p> <p>Tel: +94 11 2 675 091-4 Fax: +94 11 2 689 605 Email: info@wealthtrust.lk</p>	<p>NSB Fund Management Company Limited No. 255, 1st Floor, NSB Head Office, Galle Road, Colombo 3.</p> <p>Tel: +94 11 2 564 601 Fax: +94 11 2 574 387</p>
<p>Acuity Securities Limited 4th Floor, No. 53, Dharmapala Mawatha, Colombo 3.</p> <p>Tel: +94 11 2 206 280 Fax: +94 11 2 206 290</p>	<p>Natwealth Securities Limited Prince Alfred Tower, No. 10-1/1, Alfred House Gardens, Colombo 3.</p> <p>Tel: +94 11 4 716 274 Fax: +94 11 4 645 776</p>
<p>Commercial Bank of Ceylon PLC Commercial House, No. 21, Sir Razik Fareed Mawatha, Colombo 1.</p> <p>Tel: + 94 11 2 486 334 Fax: + 94 11 2 384 650</p>	

BRANCHES OF SIYAPATHA FINANCE PLC

Region / Branch	Telephone Number	Address
Head Office	0117 605 605	No.46/12, Nawam Mawatha, Colombo 02
Nugegoda	0117 605 680	No. 189 , Stanley Thilakarathne Mawatha, Nugegoda
Peliyagoda	0117 605 625	NO.304, Negombo Road, Peliyagoda
Matara	0417 605 605	No.5B, Hakmana Road, Matara
Kurunegala	0377 605 605	No. 254C, Colombo Road, Kurunegala
Kurunegala Metro	0377 605 625	No. 36, Negombo Road, Kurunegala
Kuliyapitiya	0377 605 615	No 50/52, Kurunegala Road, Kuliyapitiya
Katugastota	0817 605 605	No 274/ A, Katugasthota Road, Kandy
Kandy	0817 605 625	192/1/1 , Kotugodella Street , Kandy
Anuradhapura	0257 605 605	No. 213/4, Maithreepala Senanayaka Mawatha, Anuradhapura
Nuwara-Eliya	0527 605 605	No 28 , Kandy Road, Nuwaraeliya
Negombo	0317 605 605	No-287, Main Street, Negombo
Rathnapura	0457 605 605	No. 186, Main Street, Rathnapura
Ampara	0637 605 605	No. 32 , D S Senanayake Street , Ampara
Sainthamaruthu	0677 605 605	No.1610, Main Street, Sainthamaruthu
Kalmunai	0677 605 625	172/4, Batticaloa Road, Kalmunai
Kegalle	0357 605 605	No. 137, Kandy Road, Kegalle
Avissawella	0367 605 605	No. 20, Ratnapura Road, Avissawella
Vavuniya	0247 605 605	No. 156, Bazar Road, Vavuniya
Batticaloa	0657 605 605	No. 257 , 259, Trinco Road, Batticaloa
Gampaha	0337 60 5605	3A, Mangala Road , Gampaha
Kalutara	0347 605 605	No. 169, 169/1/1, Main Street , Kalutara
Trincomalee	0267605605	273A,273 /1/1, Central Road, Trincomalee
Wellawatte	0117605205	No.226, Galle Road, Wellawatte
Galle	0917605205	No.27, Old Matara Road, Pettigalawattha, Galle.

ANNEXURE III - CUSTODIAN BANKS

Bank of Ceylon Head Office 11 th Floor 04, Bank of Ceylon Mawatha, Colombo 01 Tel: +94 11 2 204 064, +94 11 2 338 742/55, +94 11 2 544 333	Citi Bank, N A 65 C, Dharmapala Mawatha P.O. Box 888, Colombo 07 Tel: +94 11 2 447 316/8, +94 11 2 447 318, +94 11 2 449 061, +94 11 2 328 526, +94 11 4 794 700
Commercial Bank of Ceylon PLC Commercial House No 21, Sir Razik Fareed Mawatha Colombo 01 Tel: +94 11 2 486 000-3	Deutsche Bank AG 86, Galle Road, Colombo 03 Tel: +94 11 2 447 062, +94 11 2 438 057
Hatton National Bank PLC HNB Towers 479, T. B. Jayah Mawatha, Colombo 10 Tel: +94 11 2 661 762	The Hong Kong and Shanghai Banking Corporation Limited 24, Sir Baron Jayathilake Mawatha, Colombo 01 Tel: +94 11 2 325 435, +94 11 2 446 591, +94 11 2 446 303
People's Bank Head Office, Treasury, 5th Floor, No. 75, Sir Chittampalam A Gardiner Mawatha, Colombo 02. Tel: +94 11 2 206 782	Standard Chartered Bank 37, York Street, Colombo 01 Tel: +94 11 4 794 400, +94 11 2 480 450
Sampath Bank PLC 110, Sir James Peiris Mawatha, Colombo 02 Tel: +94 11 5 331 458	State Bank of India 16, Sir Baron Jayathilake Mawatha, Colombo 01 Tel: +94 11 4 622 350

<p>Seylan Bank PLC Level 8, Ceylinco, Seylan Towers 90, Galle Road, Colombo 03</p> <p>Tel: +94 11 2 456 789, +94 11 4 701 812, +94 11 4 701 819, +94 11 4 701 829</p>	<p>Union Bank of Colombo PLC 64, Galle Road, Colombo 03</p> <p>Tel: +94 11 2 374 100</p>
<p>Pan Asia Banking Corporation PLC Head Office 450, Galle Road, Colombo 03</p> <p>Tel: +94 11 2 565 565</p>	<p>Public Bank Berhad 340, R A De Mel Mawatha, Colombo 03</p> <p>Tel: +94 11 2 576 289, +94 11 7 290 200-07</p>
<p>Nations Trust Bank PLC 242, Union Place, Colombo 02</p> <p>Tel: +94 11 4 711 411</p>	<p>Banque Indosuez C/O Hatton National Bank PLC Cinnamon Garden Branch, 251, Dharmapala Mawatha, Colombo 07.</p> <p>Tel: + 94 11 2 686 537, + 94 11 2 689 176</p>

ANNEXURE IV - DECLARATION

DECLARATION

Manager

Siyapatha Finance PLC

.....

I/We.....

.....

.....and.....

.....of.....(address).....

.....holder/s of Passport

Number/ NIC Number..... who fall under definition of a US Persons under the provision of the Foreign Account Tax Compliance Act ("FATCA") which is a US legislation aimed at preventing tax evasion by US persons through overseas assets. I/We confirm that I/We understand FATCA is extraterritorial by design and requires "US Persons" to report their financial assets held overseas.

I/We hereby request Siyapatha Finance PLC which is recognized as a Foreign Financial Institutions (FFIs) in terms of the FATCA to report all information pertaining to the accounts and investments held by me/us in the Siyapatha Finance PLC and to remit any tax payable to the Internal Revenue Services (IRS) of the United States of America. I/We further confirm that this request is made by me/us with full knowledge and understanding of FATCA.

.....

Date

.....

Signature/s of Applicants

Siyapatha
FINANCE PLC



Sampath Bank Group

Siyapatha Finance PLC
No. 46/12, Nawam Mawatha, Colombo 02
Tel: 0117 605 605, Fax: 0117 605 606
E-mail: info@siyapatha.lk www.siyapatha.lk