



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300, Sri Lanka.

Tel +94 - 11 542 6426
Fax +94 - 11 244 5872
+94 - 11 244 6058
Internet www.kpmg.com/lk

04 March 2026

The Board of Directors
Siyapatha Finance PLC
No.111
Dudley Senanayake Mawatha
Colombo 08

Dear Sirs,

ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF SIYAPATHA FINANCE PLC

This report has been prepared for the inclusion in the Prospectus issued in connection with the issuance of 20 Million Listed, Rated, Subordinated, Unsecured, Redeemable Debentures (each amounting to LKR 100) for a period of 5 years with an option to issue up to a further 10 Million of the said Debentures at the discretion of the Company in the event of an oversubscription of the initial issue and a further option to issue up to a further 7.5 Million of said Debentures at the discretion of the Company in the event of an oversubscription of the initial issue and the second tranche. Accordingly, a maximum amount of Rs. 3.75 Billion will be raised through the issuance of up to 37.5 Million Debentures.

We have examined the financial statements of Siyapatha Finance PLC for the financial years ended 31st December 2021 to 31st December 2025, included in the Prospectus and report as follows.

1. INCORPORATION

Siyapatha Finance PLC ("The Company"), formerly known as Siyapatha Finance Limited is a domiciled, public limited liability company incorporated in Sri Lanka on 03 March 2005 under the Companies Act No. 17 of 1982. The registered office of the Company is located at. No. 111, Dudley Senanayake Mawatha, Colombo 08. The debentures of the Company were initially listed on the Colombo Stock Exchange on 02 January 2015. The Company was re-registered with the Registrar General of Companies as per the requirements of the Companies Act No.7 of 2007. It is a Licensed Finance Company under the Finance Business Act No.42 of 2011 and amendments thereto.

The principal activities of the Company consist of accepting deposits, providing finance lease, vehicle loan facilities, mortgage loans, gold loan, debt factoring, revolving loans, business/personal loans, and fast draft loans.

2. FINANCIAL STATEMENTS

2.1 Five Years Summary of Financial Statements

A summary of Statement of Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cashflow of Siyapatha Finance PLC

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C. P. Jayatilake FCA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,

W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne



for the years ended 31st December 2021 to 31st December 2025, based on the audited financial statements of the Company prepared in accordance with SLFRS's and LKAS's are set out in Annexure 1 of this report.

2.2 Audit Reports

We have audited the financial statements of the Company as at and for the year end 31st December 2024 and 2025 and unmodified audit opinion issued on 14th February 2025 and 13th February 2026. Financial statements of the Company as at and for the year ended 31st December 2021 to 31st December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 11th February 2022, 08th February 2023, 14th February 2024 respectively.

2.3 Application of Accounting Standards and Accounting Policies

The financial statements of the Company for the financial years ended 31st December 2021 to 31st December 2025 complied with the applicable Sri Lanka Accounting Standards.

The accounting policies of the Company are stated in detail in the audited financial statements of Siyapatha Finance PLC for the year ended 31st December 2025. The adoption of revised/new accounting standards and a summary of related amendments to the accounting policies of the Company from financial years ended 31st December 2021 to 31st December 2025 are given below.

Financial Year	Adoption of revised Accounting Standards and related changes in Accounting Policies
31 st December 2021	<p>The Company applied for the first-time certain standards and amendments, if applicable, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated).</p> <p>The amendments to the following Accounting Standards did not have a material impact on the Financial Statements of the Company.</p> <ul style="list-style-type: none">• Amendments to SLFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021.• Amendments to SLFRS 9, LKAS 39, SLFRS 7, SLFRS 4 and SLFRS 16 - Interest Rate Benchmark Reform Phase 1 and 2.<ul style="list-style-type: none">i. IBOR reform Phase 1ii. IBOR reform Phase 2
31 st December 2022	<p>The amendments to the following Accounting Standards, did not have a material impact on the Financial Statements of the Company.</p> <ul style="list-style-type: none">• Amendments to SLFRS 3 Business Combinations: Updating a reference to conceptual framework.• Amendments to LKAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Costs of Fulfilling a Contract.• Amendments to LKAS 16 Property, Plant & Equipment: Proceeds before Intended Use.



31 st December 2023	<p>The amendments to the following Accounting Standards, did not have a material impact on the Financial Statements of the Company.</p> <ul style="list-style-type: none">• Definition of Accounting Estimates - Amendments to LKAS 8.• Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to LKAS 12.• Disclosure of Accounting Policies - Amendments to LKAS 1 and IFRS Practice Statement 2.
31 st December 2024	<p>The amendments to the following Accounting Standards, did not have a material impact on the Financial Statements of the Company.</p> <ul style="list-style-type: none">• Non-current Liabilities with Covenants -Amendments to IAS 1.• Classification of Liabilities as Current or Non-Current-Amendments to IAS 1.• Lease Liability in a Sale and Leaseback-Amendments to IFRS 16.• Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7.
31 st December 2025	<p>The amendments to the following Accounting Standards, did not have a material impact on the Financial Statements of the Company.</p> <ul style="list-style-type: none">• Lack of Exchangeability - Amendment to IAS 21P

2.4 Dividend

The Company has paid the following dividends in respect of Ordinary Shares during the respective financial years ended 31st December 2021 to 31st December 2025.

Year ended 31 st December	Dividend Paid Rs.'000	Dividend Per Share Rs.
2021	123,214	1.37
2022	328,344	3.57
2023	226,397	2.33
2024	7,023	0.07
2025	12,051	0.12

2.5 Events after reporting period

No circumstances have arisen since the reporting date which would require adjustments to, or disclosure in, the financial statements.

2.6 Purpose and restrictions on use and distribution

This report is made solely for the purpose of the Board of Directors of Siyapatha Finance PLC for the inclusion in the Prospectus in connection with the debenture issue. This report should not be used, circulated, quoted, or otherwise referred to any other purpose.

Yours faithfully

Chartered Accountants
Colombo

SIYAPATHA FINANCE PLC
INCOME STATEMENT

Annexure I

Year ended 31 December

	2025	2024	2023	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Interest income	11,464,929	9,842,826	10,130,371	8,269,789	6,786,436
Less: Interest expenses	(5,903,434)	(5,309,323)	(7,009,764)	(5,788,151)	(2,813,728)
Net interest income	5,561,495	4,533,503	3,120,607	2,481,638	3,972,708
Fee and commission income	504,097	349,015	331,729	313,898	281,024
Less: Fee and commission expenses	(5,446)	(2,905)	(3,981)	(3,713)	-
Net fee and commission income	498,651	346,110	327,748	310,185	281,024
Other operating income	1,283,714	1,097,165	600,661	715,359	1,079,871
Total operating income	7,343,860	5,976,778	4,049,016	3,507,182	5,333,603
Less: Credit loss expense on financial assets and other losses	110,923	136,912	(80,869)	(131,671)	(1,618,176)
Net operating income	7,454,783	6,113,690	3,968,147	3,375,511	3,715,427
Less: Operating expenses					
Personnel expenses	(2,594,838)	(2,097,640)	(1,368,823)	(1,192,451)	(1,172,942)
Other operating expenses	(1,198,155)	(1,108,098)	(922,017)	(718,515)	(617,056)
Operating profit before taxes on financial services	3,661,791	2,907,952	1,677,307	1,464,545	1,925,429
Less: Taxes on financial services	(1,002,183)	(802,667)	(478,089)	(400,808)	(399,355)
Profit before income tax	2,659,608	2,105,285	1,199,218	1,063,737	1,526,074
Less: Income tax expense	(1,103,201)	(901,912)	(489,016)	(308,768)	(431,531)
Profit for the year	1,556,407	1,203,373	710,202	754,969	1,094,543
Basic/Diluted earnings per share (Rs.)	15.48	11.98	7.08	7.77	12.35
Dividend per share (Rs.)	0.12	0.07	2.33	3.57	1.37

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by,

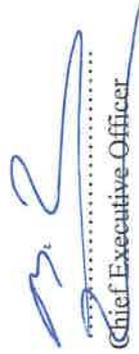

Chief Executive Officer




Chief Financial Officer

Year ended 31 December	2025	2024	2023	2022	2021
	Rs.'000	Rs.'000	Rs.'000	Rs.'000	Rs.'000
Profit for the year	1,556,407	1,203,373	710,202	754,969	1,094,543
Other comprehensive income/ (expenses)					
Other comprehensive income not to be reclassified to profit or loss:					
Actuarial gain/(loss) on defined benefit plan	(2,861)	6,103	4,733	10,374	(123)
Deferred tax effect including the effect of tax rate change on the opening balance	858	(1,832)	(1,420)	(1,989)	(843)
	(2,003)	4,271	3,313	8,385	(966)
Surplus from revaluation of property, plant & equipment	41,378	-	-	56,600	-
Deferred tax effect including the effect of tax rate change on the opening balance	(12,413)	-	-	(26,809)	6,553
	28,965	-	-	29,791	6,553
Other comprehensive income for the year, net of tax	26,962	4,271	3,313	38,176	5,587
Total comprehensive income for the year, net of tax	1,583,369	1,207,644	713,515	793,145	1,100,130
Attributable to :					
Equity holders of the parent company	1,583,369	713,515	793,145	1,100,130	410,140
	1,583,369	713,515	793,145	1,100,130	410,140

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by,


 Chief Executive Officer


 Chief Financial Officer

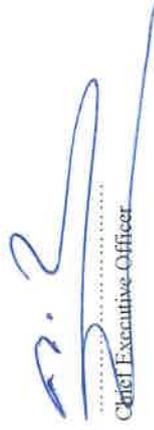


SIYAPATHA FINANCE PLC
STATEMENT OF FINANCIAL POSITION

As at 31 December

	2025 Rs.'000	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000
Assets					
Cash and bank balances	483,200	260,579	285,352	221,187	250,277
Securities purchased under repurchase agreements	8,732,389	5,001,843	250,123	-	1,839,911
Factoring receivables	187,307	95,417	95,969	112,793	153,483
Gold loan receivables	18,655,679	11,412,292	7,930,227	8,666,076	5,781,780
Assets held for sale	24,577	24,838	114,043	-	-
Loan receivables	14,284,209	3,829,072	1,343,011	993,460	1,643,806
Lease receivables	37,898,922	30,717,750	26,640,517	24,862,538	29,088,209
Hire purchase receivables	-	-	-	1,247	934
Other assets	940,370	812,692	735,058	624,838	637,127
Equity instruments at fair value through other comprehensive income	56	56	56	56	56
Debt instruments at amortised cost	56,732	4,335,257	5,799,840	5,461,866	900,241
Property, plant & equipment	2,582,523	2,486,547	2,465,349	2,537,582	1,992,215
Right-of-use assets	660,630	482,732	380,579	371,844	362,870
Deferred tax assets	190,628	233,834	184,308	225,785	78,492
Intangible assets	42,393	16,033	16,068	15,291	20,847
Total Assets	84,739,615	59,708,942	46,240,500	44,094,563	42,750,248
Liabilities					
Bank overdraft	387,335	128,514	135,930	826,180	191,266
Due to other customers	36,950,983	32,197,075	23,565,911	19,342,046	17,114,923
Debt issued and other borrowed funds	33,386,427	15,642,339	13,148,267	15,585,788	17,077,514
Other payables	3,044,661	2,373,259	1,577,908	1,304,342	1,267,671
Current tax liabilities	731,488	754,721	427,797	352,180	768,927
Retirement benefit obligations	203,838	159,713	137,957	116,852	103,853
Total Liabilities	74,704,732	51,255,621	38,993,770	37,527,388	36,524,154
Equity					
Stated capital	2,883,089	2,872,846	2,866,876	2,674,439	2,346,095
Statutory reserve fund	455,000	375,000	314,000	278,000	240,000
Revaluation reserve	183,260	154,295	154,295	154,295	124,504
Retained earnings	6,513,534	5,051,180	3,911,559	3,460,441	3,515,495
Total Equity	10,034,883	8,453,321	7,246,730	6,567,175	6,226,094
Total Liabilities and Equity	84,739,615	59,708,942	46,240,500	44,094,563	42,750,248
Net asset value per share (Rs.)	99.79	84.18	72.23	67.59	67.69
Commitments and contingencies	124,820	30,206	30,643	15,187	432,361

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by,



Chief Executive Officer




Chief Financial Officer

	Stated Capital	Share Application Money Pending Allotment	Statutory Reserve Fund	Revaluation Reserve	Retained Earnings	Total
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Balance as at 31 December 2020	1,522,881	700,000	185,000	117,951	2,600,132	5,125,964
Profit for the year	-	-	-	-	1,094,543	1,094,543
Other comprehensive income, net of tax	-	-	-	6,553	(966)	5,587
Transfer to Statutory Reserve Fund	-	-	55,000	-	(55,000)	-
Scrip dividend paid	123,214	-	-	-	(123,214)	-
Rights issue of shares	700,000	(700,000)	-	-	-	-
Balance as at 31 December 2021	2,346,095	-	240,000	124,504	3,515,495	6,226,094
Adjustment for Surcharge Tax levied under the Surcharge Tax Act No. 14 of 2022	-	-	-	-	(452,063)	(452,063)
Adjusted balance as at 01 January 2022	2,346,095	-	240,000	124,504	3,063,432	5,774,031
Profit for the year	-	-	-	-	754,969	754,969
Other comprehensive income, net of tax	-	-	-	29,791	8,385	38,176
Transfer to Statutory Reserve Fund	-	-	38,000	-	(38,000)	-
Scrip dividend paid	328,344	-	-	-	(328,344)	-
Balance as at 31 December 2022	2,674,439	-	278,000	154,295	3,460,442	6,567,176
Profit for the year	-	-	-	-	710,202	710,202
Other comprehensive income, net of tax	-	-	-	-	3,313	3,313
Transfer to Statutory Reserve Fund	-	-	36,000	-	(36,000)	-
Scrip dividend paid	192,437	-	-	-	(226,397)	(33,960)
Balance as at 31 December 2023	2,866,876	-	314,000	154,295	3,911,559	7,246,731
Profit for the year	-	-	-	-	1,203,373	1,203,373
Other comprehensive income, net of tax	-	-	-	-	4,271	4,271
Transfer to Statutory Reserve Fund	-	-	61,000	-	(61,000)	-
Scrip dividend paid	5,970	-	-	-	(7,023)	(1,053)
Balance as at 31 December 2024	2,872,846	-	375,000	154,295	5,051,180	8,453,321
Profit for the year	-	-	-	-	1,556,407	1,556,407
Other comprehensive income, net of tax	-	-	-	28,965	(2,003)	26,962
Transfer to Statutory Reserve Fund	-	-	80,000	-	(80,000)	-
Scrip dividend paid	10,243	-	-	-	(12,051)	(1,808)
Balance as at 31 December 2025	2,883,089	-	455,000	183,260	6,513,534	10,034,883

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by,


Chief Executive Officer


Chief Financial Officer



Year ended 31 December

	2025 Rs.'000	2024 Rs.'000	2023 Rs.'000	2022 Rs.'000	2021 Rs.'000
Cash flows from operating activities					
Profit before taxation from operations	2,659,608	2,105,285	1,199,218	1,063,737	1,526,074
Interest expenses	5,903,434	5,309,323	7,009,764	5,788,151	2,813,728
Fee & commission expenses	5,446	2,905	3,981	3,713	-
Credit loss expense on financial assets	(110,923)	(136,912)	80,869	131,671	1,618,176
Provision for staff gratuity	50,954	43,074	42,007	31,978	22,247
Provision for depreciation	192,805	164,379	155,544	156,651	62,182
Amortisation of software	11,128	5,266	7,856	17,064	23,993
Amortisation expenses on right-of-use assets	112,032	89,172	80,119	80,696	117,083
(Profit)/Loss on Disposal of Property, Plant and Equipment	(236)	(680)	(1,695)	633	(1,452)
	<u>6,164,640</u>	<u>5,476,527</u>	<u>7,378,445</u>	<u>6,210,557</u>	<u>4,655,957</u>
Operating profit before working capital changes	8,824,248	7,581,812	8,577,663	7,274,294	6,182,031
(Increase)/Decrease in lease receivables	(7,139,111)	(3,911,427)	(1,798,308)	4,067,869	(1,137,250)
(Increase)/Decrease in hire purchase receivables	-	936	293	(68)	1,045
(Increase)/Decrease in factoring receivables	(97,710)	10,474	45,082	137,488	86,682
(Increase)/Decrease in gold loan receivables	(7,262,293)	(3,478,583)	738,561	(2,899,391)	(1,026,590)
(Increase)/Decrease in loan receivables	(10,269,835)	(2,409,095)	(269,756)	641,634	(310,483)
Increase/(Decrease) in due to other customers	4,237,598	8,586,181	3,757,012	1,790,458	62,776
(Increase)/Decrease in other assets	(504,806)	(303,426)	(481,828)	(127,079)	(35,220)
Increase/(Decrease) in other payables	846,936	945,987	402,193	155,564	184,022
	<u>(20,189,221)</u>	<u>(558,952)</u>	<u>2,393,249</u>	<u>3,766,475</u>	<u>(2,175,018)</u>
Cash generated from operating activities	(11,364,973)	7,022,860	10,970,912	11,040,769	4,007,013
Interest expense paid	(5,042,836)	(5,154,724)	(6,824,516)	(5,112,623)	(3,026,325)
Gratuity paid	(9,690)	(15,214)	(16,169)	(8,605)	(5,777)
Income tax paid	(1,094,781)	(626,347)	(373,343)	(901,606)	(181,885)
Surcharge tax paid	-	-	-	(452,063)	-
Dividend tax paid	(1,808)	(1,053)	(33,960)	-	-
Net cash inflow/(outflow) from operating activities	(17,514,088)	1,225,521	3,722,924	4,565,872	793,026
Cash flow from investing activities					
Net investments in government bonds & government securities	1,133,379	1,897,145	(393,121)	46,016	(924,961)
Purchase of property, plant and equipment and intangible assets	(285,884)	(226,148)	(92,087)	(657,979)	(711,109)
Proceeds from sale of property, plant and equipment	1,229	36,019	1,837	420	1,761
Net cash inflow/(outflow) from investing activities	848,724	1,707,016	(483,371)	(611,543)	(1,634,309)
Net cash inflow/(outflow) before financing activities	(16,665,364)	2,932,537	3,239,553	3,954,329	(841,283)
Cash flow from financing activities					
Proceeds from long term loans & securitizations	13,145,032	2,000,000	2,500,000	3,173,000	1,000,000
Repayments of long term loans & securitizations	(45,676)	(4,118,449)	(3,919,897)	(2,557,303)	(4,459,052)
Proceeds from debentures	5,000,000	4,000,000	-	-	1,500,000
Debentures redeemed	-	(1,500,000)	(2,000,000)	(1,000,000)	(1,078,010)
Net proceeds from short term borrowings	(705,000)	2,000,000	1,260,000	(1,350,000)	3,050,000
Repayment of principal portion of lease liabilities	(179,788)	(147,165)	(130,205)	(116,279)	(154,255)
Net cash inflow/(outflow) from financing activities	17,214,568	2,234,386	(2,290,102)	(1,850,582)	(141,317)
Net increase/(decrease) in cash and cash equivalents	549,204	5,166,923	949,451	2,103,747	(982,600)
Cash & cash equivalents at the beginning of the year	8,279,152	3,112,229	2,162,778	59,031	1,041,631
Cash and cash equivalents at end of the year	8,828,356	8,279,152	3,112,229	2,162,778	59,031
Analysis of the cash and cash equivalents at the end of the year					
Cash and bank balances	483,302	260,681	285,454	221,228	250,297
Securities purchased under repurchase agreements less than three months	8,732,389	5,001,841	250,123	-	-
Investment in Government securities less than three months	-	3,145,144	2,712,582	2,767,730	-
Bank overdraft	(387,335)	(128,514)	(135,930)	(826,180)	(191,266)
	<u>8,828,356</u>	<u>8,279,152</u>	<u>3,112,229</u>	<u>2,162,778</u>	<u>59,031</u>

Above summarized financial information and its extraction from the Audited Financial Statements, Signed for and on behalf of the Management by,


Chief Executive Officer


Chief Financial Officer

