



STRENGTH & INTEGRITY
SINCE 1966

CENTRAL INVESTMENTS & FINANCE PLC

February 9, 2017

The Head of Trading and Market Surveillance
Colombo Stock Exchange
No.04-01 West Block
World trade Center
Colombo

Attention: Ms. Nilupa Perera

Dear Sir,

Current Status of CIFL

This is with reference to your letter dated 1st February 2017 on the above subject.

We wish to provide a detailed update on the prospective Investors, Operations of the Company and the Status of the Financial Statements of the Company:

1. Vandell Financial Services has confirmed their willingness to offer a Bank Guaranty against a loan from the Central Bank and have requested the name of the beneficiary in whose name the Bank guaranty should be issued.
2. We understand that the Central Bank has sought approval to accept a Bank guaranty instead of obtaining real estate as specified in the relevant legislation.
3. Vandell has indicated that their delegation will visit Sri Lanka again once the confirmation of the loan is received.
4. Meanwhile, the Central Bank has referred another interested foreign Investor representative to CIFL who was provided with the basic information required for their due diligence after signing a Non Disclosure Agreement (NDA). We are awaiting the outcome from them as an alternative solution in case Vandell backs out.
5. With regard to Financial Statements, the draft audited financials for 31st March 2015, the Central Bank has not approved the draft audited financial Statements submitted by KPMG. As a result of this situation, we are unable to obtain the final version of the audited accounts and we have sought advice from CBSL as to the next step to be taken by the Board under the circumstances.
6. In the case of Head office and Kandy branch, routine operational activities (other than accepting public deposits) had been commenced effective from 2nd January 2017 and both offices are operating normal office hours.
7. The Board has initiated to write up the accounts for 2015/16 and onwards using internal resources within CIFL. The undersigned is personally supervising the preparation of accounts for this period and the accounts could be submitted for audit within the next few weeks.

Trust the above explains the current status of the Company.

Thank you,

Yours Sincerely,

CENTRAL INVESTMENTS & FINANCE LIMITED

Lakshman Rupasinghe FCA

Non-Executive Director



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Circulated
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