

SINGER FINANCE

POLICY ON CORPORATE DISCLOSURE

In Compliance with CSE Listing Rule 9.2.1 (j)

VERSION 1.0

SINGER FINANCE (LANKA)PLC
POLICY ON CORPORATE DISCLOSURE

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RELATED DOCUMENTS

CSE Listing Rules – Section 8 and Section 9

Securities and Exchange Commission of Sri Lanka -Directive dated 27th December 2013, Ref: SEC/LEG/13/12/45 , Directive issued under section 13 (c) and (cc) of the Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987 (as amended)

Colombo Stock Exchange -Circular No. 01/2014 ,dated 8th January 2014

Companies Act No. 07 of 2007

ABBREVIATIONS USED IN THIS POLICY

CSE -Colombo Stock Exchange

FC -Finance Company

LFCs -Licensed Finance Companies

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1. NEED OF THE POLICY

To comply with the requirements set out in Section 8 and Section 9 of Listing Rules issued by Colombo Stock Exchange and applicable directives of the Securities and Exchange Commission of Sri Lanka.

For the purposes of this policy the term “Company” is defined to mean Singer Finance (Lanka)PLC-(SFL)

2. PURPOSE

The purpose of this policy is to ensure timely disclosure of material information pertaining to the affairs of the company which is fundamentally important to the operation of a fair and efficient market for company’s securities.

The material information so disclosed shall be of active and transparent communication that is complete, fair, accurate, timely, comprehensible and equally accessible by all stakeholders, , in compliance with the governing regulations.

3. SCOPE

This policy applies to all the Corporate Disclosures of Singer Finance (Lanka)PLC.

4. PRICE SENSITIVE INFORMATION

As per Sub section 8.1 of Section 8 of the Listing Rules of CSE, the company shall make an immediate disclosure of price sensitive information in order to ensure the maintenance of a fair and orderly securities market.

a. ‘price sensitive information’ means

- (i) relates to specific matters relating to, or of concern (directly or indirectly) to the company and;
- (ii) is not generally known to those persons who are accustomed or would be likely to deal in company’s listed Securities but which would if it were generally known to them be likely to affect materially the price of the company’s shares or other listed Security.

Such information includes, but is not limited to, information known to the company, concerning the company’s property, assets, business, financial condition and prospects; mergers and acquisitions; and dealings with employees, suppliers and customers; material contracts, whether entered into in the ordinary course of business or otherwise; as well as

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information concerning a significant change in ownership of the company's securities owned by insiders, or a change in effective or voting control of the company, and any developments that affect materially the present or potential rights or interests of the Company's shareholders.

Subject to materiality, the company shall make immediate market disclosure on the occurrence of following events;

1. non-payment of interest on the 'due date' on account of Debt Securities.
2. non-payment of capital on the redemption date on account of Debt Securities.
3. joint ventures, mergers, acquisitions or takeovers.
4. A decision to declare dividends.
5. Any decision to change the stated capital of the company including reduction of stated capital, Rights Issues, issue of shares credited as fully paid up by way of capitalization of reserves, redemptions, repurchases, minority buy-outs by the company and issue of shares of a class which is not already listed (irrespective of whether the company proposes or does not propose to obtain a listing for such shares issued).
6. Change in the Directors, Company Secretary, Registrars or Auditors of the company.

As per sub section 9.10 of the Section 9 of the Listing Rules of CSE the company shall, upon the appointment of a new Director to its Board, shall make an immediate market announcement setting out the following.

- i A brief resume of such Director;
- ii His/her capacity of directorship; and,
- iii Statement by the company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the company.

The company shall make an immediate market announcement regarding any changes to the composition of the Board of Directors or Board Committees (Nominations and Governance Committee, Remuneration Committee, Audit Committee and Related Party Transaction Review Committee) referred to in Rule 9.3 of the Section 9 of the Listing Rules of CSE, containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.

As per Sub section 9.9 (d) of the Section 9 of the Listing Rules of CSE the company shall make an immediate market announcement regarding the appointment of an Alternate Director, Such market announcement shall include the following:

- I. The exceptional circumstances leading to such appointment;
- II. The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director;

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- III. The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and,
 - IV. A Statement by the company indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the company.
7. Any sale/purchase of shares, which amounts to 10% or more of the issued quantity of shares of the company, through one transaction or series of transactions.
 8. A change in control of the company.
 9. Change of address of the registered office of the company or of any offices at which the register of the Securities of the company is kept.
 10. A call of Securities for redemption.
 11. An event of default on interest and/or principal payments in respect of loans not paid within thirty (30) days.
 12. Appointment, resignation, suspension or removal of the Chief Executive Officer
 13. Occurrence of any event which would result in the winding up of the company or the appointment of a receiver or liquidator of the company.
 14. Details of guarantees and sureties granted if the total exceeds 20% of the company's net worth as per the Balance Sheet Value. The company shall only report those guarantees and sureties granted beyond the regular course of business.
 15. A tender offer for another Entity's Securities.
 16. Any changes in the corporate purpose and any material alterations in the company's activities or the initiation of new activities.
 17. Any major transaction as defined in Section 185 of the Companies Act.
 18. Any decision to summon a meeting of the Board by a Director in the event of insolvency in terms of Section 219 of the Companies Act.
 19. Any decision to summon an Extraordinary General Meeting by directors in the event of serious loss of capital in terms of Section 220 of the Companies Act.
 20. The acquisition or loss of a contract.
 21. A change in capital investment plans.
 22. Any investment that will have a material impact on the company
 23. Judicial or quasi-judicial actions of any nature initiated by or against the company which are of material importance

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24. Any occurrence of an event of default under the terms and conditions of any issue of debentures, promissory notes, bonds or any other Security issued by the company.
25. Any acquisition of voting rights which results in the company becoming the holding Entity.
26. Related Party transactions exceeding 10% of the equity or 5% of the total assets of the company as per the latest Audited Financial Statements, whichever is lower.

Details of investments in a Related Party and/or amounts due from a Related Party to be set out separately.

The details shall include,

- i. The date of the transaction;
- ii. The name of the relevant Related Party;
- iii. The relationship between the company and the Related Party;
- iv. The amount of the transaction and terms of the transaction;
- v. The rationale for entering into the transaction.

'Related Party' shall have the same meaning as defined in Sri Lanka Accounting Standard 30 (Revised 2005) - Related Party Disclosures.

In line with the Sub Section 9.14.7 of Section 9 of the Listing Rules of CSE, A Listed Entity shall make an immediate Market Announcement to the Exchange;

- (a) of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or
- (b) of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the equity or 5% of the total assets whichever is lower, of the company as per the latest Audited Financial Statements.

The company shall disclose subsequent non-recurrent transactions which exceed 5% of the equity of the company, entered into with the same Related Party during the financial year.

The market announcement to the CSE shall include:

- i. The date of the transaction or the period where applicable
- ii. The name of the relevant Related Party
- iii. The relationship between the company and the Related Party
- iv. Details of the transaction including the amount, relevant terms of the transaction and the basis on which the terms were arrived at
- v. The rationale for entering into the transaction

- vi. The following statement:
The Related Party Transactions Review Committee of the company is of the view that the transaction/s is/are on normal commercial terms, and is/are not prejudicial to the interests of the company and its minority shareholders and the Related Party Transaction Review Committee is/is not (delete as applicable) obtaining an opinion from an independent expert prior to forming its view on the transaction.”
- vii. The aggregate value of the Related Party Transactions for the financial year with the particular Related Party whose transaction is the subject of the announcement and the aggregate value of all non-recurrent Related Party Transactions for the same financial year.

27. Any deviation (increase or decrease) amounting to two per centum (2%) or more from the public holding percentage of the company most recently disclosed to the Exchange, in respect of voting shares (as applicable) of the company.

5. ANNOUNCEMENT TO THE EXCHANGE

As per Sub section 8.2 of Section 8 of the listing rules, the company shall follow the following with regard to the announcements to be made to CSE.

- a. (i) Disclosure of price sensitive information should be made by way of an announcement and such announcement shall be uploaded to the website of CSE by the person/s authorized by the company for such purpose, in accordance with the procedure set out by CSE from time to time. The Company Secretary shall be responsible for all such uploads.
- (ii) Such announcement shall be in writing and shall be signed by an authorized officer of the company. Authorized officer shall be the Chairman, CEO or the Company Secretary.
- (iii) To facilitate the dissemination of information, copies of the announcement may be made simultaneously to the news media.
- (iv) Under no circumstances should disclosure of price sensitive information be made on an individual or selective basis to analysts, shareholders or other persons unless such information has previously been disclosed and disseminated to the Exchange.

b. Content of Announcement:

Each announcement shall:-

- (i) Be balanced and fair, be factual, clear and concise;
- (ii) Avoid over-technical language, and should be expressed to the extent possible in language comprehensible to the layman;

(iii) contain sufficient quantitative information to allow investors to evaluate its relative importance to the activities of the company.

Thus, the announcement should avoid:-

- omission of important unfavorable facts, or the slighting of such facts;
- presentation of favorable possibilities as certain, or as more probable than is actually the case;
- presentation of projections without sufficient qualification or without sufficient factual basis;

(iv) Avoid negative statements phrased to create a positive implication;

(v) Avoid the use of promotional jargon calculated to excite rather than to inform; and

(vi) Explain the consequences or effects of the information on the Company's future prospects. If the consequences or effects cannot be assessed, explain why.

6. WHERE INFORMATION MAY BE WITHHELD BY THE COMPANY

In the following circumstances disclosures may be withheld for bona fide purposes. However, such situations constitute an infrequent exception to the normal requirement of immediate public disclosure. Hence, in cases of doubt, the presumption must always be in favour of disclosure:

- a. when immediate disclosure could prejudice the ability of the company to pursue its corporate objectives or a bona fide transaction that is contemplated.
- b. When the facts are in a state of flux (constantly changing) and a disclosure could be counterproductive and could mislead the public and the market.
- c. When the company is holding negotiations with a third party and has not reached an agreement in-principle on the relevant transaction.

Whenever price sensitive information is withheld on the aforesaid basis the company must ensure that strictest confidentiality is maintained of such information and that access to such information is to be granted only on a "need to know" basis. The company should also ensure that any persons with access to such unpublished price sensitive information should not trade in the Securities of the company and any connected entity of which Securities may be affected by such information. The company must be prepared to make an immediate public announcement if required by the Exchange. In the event that rumours concerning such information, or the company should develop, immediate public disclosure is required.

7. CLARIFICATIONS ON UNUSUAL TRADING ACTIVITIES IN COMPANY SHARES OR ANY OTHER LISTED SECURITY

- a. Where there is an unusual price movement or trading activity in company shares or any other listed security of the company without any apparent publicly available information, the company shall respond promptly to any inquiries made by the Exchange.
- b. The aforesaid requirement to respond to inquiries of the Exchange does not limit or qualify the responsibility of the company to unilaterally respond to unusual price movements or trading activities in its shares or its other listed Securities.

8. CLARIFICATIONS OF RUMOURS OR REPORTS

- a. Where there is a rumor or a report pertaining to the company, the company shall respond promptly to any inquiries made by the Exchange.
- b. The aforesaid requirement to respond to inquiries of the Exchange does not limit or qualify the responsibility of the company to unilaterally respond to any rumors or reports.

9. TRADING BY CONNECTED PARTIES

Connected persons should not trade, borrow or lend on the basis of price sensitive information that has not been disclosed to the public. Moreover, connected persons shall not trade, borrow or lend the Securities of the company even after release of the information to the Exchange for a period, which should not be less than two (02) Market Days after the release of the information to permit thorough public dissemination and evaluation thereof. In computing this period of two (02) Market Days, the day on which disclosure is made will be excluded.

For the purposes of this Rule, an individual is connected with the company if, and only if:-

- a. he/she is a director of the company or a related entity or his spouse and children under 18 years of age;
- or
- b. he/she occupies a position as an officer (other than director) or employee of the company or a related entity or a position involving a professional business relationship between him/herself (or his/her employer or an entity of which he/she is a director) and the first entity or a related entity which in either case may reasonably be expected to give him/her access to information which, in relation to listed securities of either entity, is unpublished price

sensitive information and which it would be reasonable to expect (a person in his/her position not to disclose except) for the proper performance of his/her function.

10. DISCLOSURES PERTAINING TO DEALINGS IN SHARES BY DIRECTORS AND CEO

As per directive -Ref: SEC/LEG/13/12/45 ,dated 27th December 2013 issued by Securities and Exchange Commission of Sri Lanka and Colombo Stock Exchange Circular No. 01/2014 ,dated 8th January 2014 , the company shall disclose dealings by its directors and CEO on their relevant interest in shares in the following circumstances within the specified time period given;

- a. The company shall make an announcement to the exchange pertaining to the relevant interests in shares held by the directors or CEO **not later than two market days** immediately following the appointment or cessation of office of a director or CEO, where such director or CEO has no relevant interest ,the company shall disclose that fact to the market within the said period.
- b. In the event a director or CEO makes an acquisition or disposal of shares ,the company shall make an announcement to the exchange **not later than five market days (T+5)** upon such acquisition or disposal. Such disclosure shall contain;
 - i. The date on which such shares were acquired or disposed
 - ii. The date on which such acquisition or disposal was notified to the board of directors as applicable in terms of section 200 of the Companies Act No. 07 of 2007

Section 200 of the Companies Act No. 07 of 2007

(i) A person who-

- (a) Is a director of a company on the appointed date or*
- (b) Becomes a director of a company thereafter,*

And who has a relevant interest in any shares issued by the company ,shall forthwith-

(c) disclose to the board the number and class of shares in which the relevant interest is held and the nature of the relevant interest and

(d) ensure that the particulars disclosed to the board under paragraph (C) are entered in the interest register.

(ii) A director of a company who acquires or disposes of a relevant interest in shares issued by the company shall, forthwith after the acquisition or disposition –

(a) Disclose to the board-

- (i) *The number and class of shares in which the relevant interest has been acquired or the number and class of shares in which the relevant interest was disposed of, as the case may be;*
 - (ii) *The nature of the relevant interest*
 - (iii) *The consideration paid or received and*
 - (iv) *The date of the acquisition or disposition and*
- (b) *Ensure that the particulars disclosed to the board under paragraph (a) are entered in the interest register.*

iii. Disclosures specified in section 200 of the Companies Act.

The purpose of this directive ;

A director or CEO of the company shall be deemed to have a relevant interest in shares where a close family member of the director or CEO (not being himself a director or CEO of the company) as the case may be, holds or has an interest in the said shares.

Close family member shall mean and include the spouse and a child below 18 years and any of the following persons provided such persons are financially dependent and /or acting in concert with the director or CEO of the company.

- a) Child above 18 years
- b) Grandparents
- c) Parents
- d) Brothers
- e) Sisters
- f) Grandchildren and
- g) Spouse of the persons referred to (c),(d) and (f) above

The time period referred to in the directive as two or three market days as the case may be shall be calculated excluding the relevant date the event occurred.

Relevant Interest shall have the same meaning as section 198 of the Companies Act; provided that the director and CEO shall be required to disclose the relevant interest irrespective of the percentage of shares or other classes of shares required to be disclosed under this directive.

11. RELEASE OF INFORMATION ISSUED BY A REGULATORY AUTHORITY

The CSE may release any information issued by a Regulatory Authority in relation to the company, if, in the opinion of the Exchange, such release is necessary to safeguard the interests of the investing public.

12. PRIOR APPROVAL OF THE REGULATOR

Disclosures that require the approval of the Central Bank of Sri Lanka prior to being disclosed to the CSE shall require such approval. Some of the key prior approvals (not limited to below) are listed below:

- Declaration of Dividends
- Declaration of any merger or acquisition
- Deceleration of Rights Issue
- Declaration of Script Dividend
- Appointment /Resignation of a Director

In instances where prior approval from the regulators is necessary, a distinct time lapse will exist between the date of the Board's approval of the transaction and the date of approval granted by the CBSL. Throughout this interim period, the Board of Directors and the Company shall exert utmost diligence in maintaining strict confidentiality regarding any price-sensitive information, until notified to the CSE.

13. REVIEW OF THE POLICY

This Policy will be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on Corporate Disclosures.



Lasitha Dias
Company Secretary



Nadeesha De Silva
Compliance Officer



Eraj Fernando
Head of Finance



Thushan Amarasuriya
CEO