HNB FINANCE

HNB FINANCE PLC
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10th January 2025

Mr. Renuke Wijayawardhane
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Centre Echelon Square
Colombo 1
Dear Sir,

HNB FINANCE PLC—RIGHTS ISSUE OF ORDINARY VOTING AND NON-VOTING SHARES

In terms of Section 5 (2)(b) of the Listing Rules of the Colombo Stock Exchange, we write to inform you that the Board of Directors of HNB Finance PLC ("the Company"), resolved on 3rd January 2025, to increase the Company's Stated Capital by way of a Rights Issue (the Issue), the details of which are as follows;

	Ordinary Voting Shares	Ordinary Non-Voting Shares
Number of Shares to be listed	Up to a Maximum of 296,120,963 Ordinary Voting Shares	Up to a Maximum of 62,125,000 Ordinary Non-Voting Shares
The Proportion which Shares to be Issued	Five (5) New Ordinary Shares for every Twenty-Four (24) Existing Ordinary Voting Shares held by the Shareholders in the Register of Shareholders as at end of trading on the Date of Entitlement.	Five (5) New Ordinary Shares for every Twenty-Four (24) Existing Ordinary Non-Voting Shares held by the Shareholders in the Register of Shareholders as at end of trading on the Date of Entitlement.
The consideration for which the shares are to be Issued	Rs. 3.40	Rs. 3.00
Stated Capital of the Company	Rs. 223,545,481 (represented by 1,421,380,624 Voting Shares and 298,200,000 Non- Voting Shares)	

The purpose for which the proceeds of the Issue are to be utilized to improve the Capital Adequacy Ratios of the Company and for lending purposes.

The Proposed Rights Issue was approved by the Central Bank of Sri Lanka in terms of Finance Companies (Structural Changes) Direction No. 01 of 2013 (amended) by their letter dated 10th January 2025.The Rights Issue is subject to the Colombo Stock Exchange approving in principle, the issue and listing of the Ordinary Shares and obtaining shareholder approval by way of an Ordinary Resolution, at a General Meeting.

Yours faithfully
By Order of the Board
HNB FINANCE PLC

COMPANY SECRETARY

Classification - Public