HNB FINANCE

HNB FINANCE PLC
No. 168, Nawala Road, Nugegoda, Sri Lanka.
General Tel : +94 112 17 62 62
General Fax : +94 112 17 62 63
E-Mail : info@hnbfinance.lk
Website : hnbfinance.lk

10th April 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
#04-01, West Block
World Trade Centre
Echelon Square
Colombo 1
Dear Madam,

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 30th March 2026, 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 381,667,019 Ordinary Voting Shares	Up to a Maximum of 80,072,222 Ordinary Non-Voting Shares
The Proportion which Shares to be Issued	Two (2) New Ordinary Voting Shares for every Nine (09) Existing Ordinary Voting Shares held by the Shareholders in the Register of Shareholders as at end of trading on the Date of Entitlement.	Two (2) New Ordinary Non-Voting Shares for every Nine (09) 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. 5.50	Rs. 5.00
Current Stated Capital of the Company	Rs. 1,416,731,755.20 (represented by 1,717,501,587 Voting Shares and 360,325,000 Non- Voting Shares)	

The purpose of the Rights Issue is to improve the Capital Adequacy Ratio of the Company, and the funds raised through the Rights Issue will be utilized 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 the letter dated 09th April 2026, which was received by the Company on 10th April 2026. 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