

# CORPORATE ARCADE LTD

Registration No. PB 3794

(SECRETARIES & REGISTRARS)

#9/4 (1-B), EDMONTON ROAD,  
COLOMBO 06.

Tel : 2514420-1  
Fax : 2514401  
E-mail : cal@sltnet.lk

2<sup>nd</sup> September 2022

Mr. Renuke Wijayawardhane  
Chief Operations Officer  
Colombo Stock Exchange  
World Trade Center  
Echelon Square  
Colombo 01

Dear Sir,

**NATION LANKA FINANCE PLC**  
**EMPHASIS OF MATTER ON GOING CONCERN**

In terms of Rule 7.5(d)(ii)(A)(6) of the Listing Rules ("Rules") of Colombo Stock Exchange ("CSE") Nation Lanka Finance PLC, wishes to announce that;

- (d) That the Securities of the Company were transferred to the Watch List as per the Enforcement Rules of the CSE on 29<sup>th</sup> September 2020 and 7<sup>th</sup> September 2021, due to the emphasis of matter on going concern contained in the Independent Auditor's Reports in the Financial Statements for the years ended 31<sup>st</sup> March 2020 and 2021. The emphasis of matter on going concern was expressed by the Auditors due to adverse impact on the profitability of the Company as a result of continuous restrictions imposed on the Company consequent to non-compliance with the minimum Core Capital requirements laid down by the regulatory authority
- (e) The Company requested to the, Securities and Exchange Commission of Sri Lanka ("SEC") to grant an extension to resolve the aforesaid matter (i.e. emphasis of matter on going concern) and accordingly SEC granted 03 extensions up to 31<sup>st</sup> March 2022, 30<sup>th</sup> June 2022, which has been further extended until 30<sup>th</sup> September 2022.
- (f) The Company expects to fulfil the core capital requirement, with the infusion of capital from the proposed Rights Issue of shares which is in progress and consequently the observation of the Auditors on the emphasis of matter would be addressed and resolved.

contd/..2



**Directors:**  
**Dr. Ranjit Fernando** (Attorney-at-Law)  
**Mrs. Fazana Shareef** (F C I S (UK))

# CORPORATE ARCADE LTD

Registration No. PB 3794

**(SECRETARIES & REGISTRARS)**

#9/4 (1-B), EDMONTON ROAD,  
COLOMBO 06.

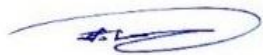
Tel : 2514420-1  
Fax : 2514401  
E-mail : cal@sltnet.lk

In terms of Rule 7.5(d)(ii)(A)(5)(d) of the Listing Rules of the CSE, the Company further announces that,

- (ii) In the event of any deviation from the proposed remedial action, the extent of the deviation shall be communicated to the investors by way of a subsequent announcement to the market via CSE within one (01) market day from the date of obtaining the approval of the Board of Directors of the Company for such deviation.
- (ii) In the event the matters giving rise to the emphasis of matter on going concern are not resolved within the extended period as granted by the SEC, the trading of Securities of the Company shall be suspended. In the event the trading suspension continues for a period in excess of twelve (12) months, the Securities of the Company shall be delisted by the Board of Directors of the CSE in terms of Rule 11.3 (a) of the Listing Rules.
- (iii) In the event the matters giving rise to the emphasis of matter on going concern are resolved and such fact is independently verified by the Audit Committee during the period the Securities of the Company are on the Watch List, it shall be announced to the Market via the CSE forthwith.

Thanking you.

Yours faithfully,



**CORPORATE ARCADE LTD  
COMPANY SECRETARIES & REGISTRARS FOR  
NATION LANKA FINANCE PLC**

**Directors:**  
**Dr. Ranjit Fernando (Attorney-at-Law)**  
**Mrs. Fazana Shareef (F C I S (UK))**