

Our Ref : CEO/L/2021/265

23rd December 2021

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

Dear Sir,

CORPORATE DISCLOSURE- NATION LANKA FINANCE PLC

Further to the announcement made on 28th September 2021, by the Board of Directors of Nation Lanka Finance PLC ["NLFPLC"] announcing the capital infusion plans in consultation with Singhe Capital Investment Limited [SCIL] to satisfy the core capital and capital adequacy requirements under the Finance Business Act, and thereby to rectify the issues that have given rise to the going concern issues by the Auditors. We wish to provide the following update.

NLFPLC has prepared a detailed business turnaround plan elaborating the strategies and action plans for the proposed capital infusion and resultant business revival process that would trigger profitability and stability, so that the matters connected to going concern issues raised by the Auditors are well addressed.

This business turnaround plan was submitted to the Central Bank of Sri Lanka for approval on 24th September 2021, and approval for same is awaited.

Accordingly, subsequent to the approval of same, the capital infusion plan given in the **Annexure** will be implemented by 31.03.2022.

It has to be noted however that although this process could be affected by the ongoing pandemic situation and the resultant economic environment, but the Company is confident of meeting the targets set by the regulatory authorities in revival of its business.

Contd...2

Directors

Mr. Victor Ramanan (Chairman)
Mr. Jayaprakash Rudra | Mr. Jagath Dissanayake



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Shareholders and other Stakeholders of NLFPLC are advised that the Board will keep them duly informed of further developments.

Yours Sincerely,

NATION LANKA FINANCE PLC

Suresh M. Amerasekera
Chief Executive Officer



Investor	Details of Investment	Amount (Rs.) Mn.
Singhe Capital Investment Limited (SCIL)	Infusion of Capital, through a Private Placement (subject to the approval of the CBSL/SEC/CSE & Shareholders).	1,500
Mr. V.R. Ramanan – Chairman	Conversion of existing unlisted Debentures at Nation Lanka Finance PLC to shares of the Company through a Private Placement (subject to the approval of the CBSL/SEC/CSE & Shareholders),	150
Total funds to be committed for the proposed share issue		1,650
Existing regulatory Core capital expected after the interim audit of NLFP AS AT 30.09.2021		900
Core capital expected after the proposed share issue		2,550
Required minimum Core capital as per CBSL regulations		2,500