



NAWALOKA HOSPITALS PLC

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6th February 2024

Mr. Renuke Wijayawardhane

Chief Regulatory Officer

Colombo Stock Exchange

04-01 West Block

Echelon Square

World Trade Center

Colombo 1

Dear Sir,

RE: CLARIFICATION OF NEWSPAPER ARTICLE PUBLISHED ON DAILY FT

Regarding the letter dated January 30, 2024, I wish to clarify the rationale behind the two statements published in the Daily FT by January 30, 2024.

1. The company's financial performance for the applicable financial year being referred as "Strong Financial Performance".

The intention of the statement published in the newspaper was to highlight the current year's interim financial performance, 2023/2024, rather than the previous year, which was the subject of the annual report, 2022/2023. An error occurred during the printing process at the printers, where the financial year was erroneously mentioned as 2022/2023 instead of 2023/2024. We have communicated this issue to the publishers and they have agreed to publish a corrections since company do not have control over the Publishment.

As per the latest interim financial statements submitted to CSE, the company has recorded a net profit of Rs.111 million, and the group has recorded Rs.20 million for the end of the second quarter of 2023/2024. We consider this a "Strong Financial Performance" since it represents a turnaround from the losses incurred in the previous year (2022/2023) of Rs.654 million for the company and Rs.2 billion for the group, bringing both to a profitable level.

2. The "current year accounts are in excellent order".

Following thorough review and diligent efforts by management, the company has rectified all ineffective practices, transactions, and events recording methods. Consequently, the account balances as of March 31, 2023, are in order despite the qualified opinion expressed by the auditors only on opening balances as of March 31, 2022, which does not impact the balances as of March 31, 2023.



Therefore, when we stated that the "current year accounts are in excellent order," we meant that the closing balances of the previous year, 2022/2023, are in order, implying that the opening balances for the current year, 2023/2024, also present a true and fair view. Furthermore, since all the qualifications are related to the 2021/2022 financial year, they will not be continued, and no specific rectification action is required.

Yours faithfully,
By Nawaloka Hospitals PLC


Chairman