



# BUILDING WEALTH BRIDGING MARKETS

INITIAL PUBLIC OFFERING



# CAL

Sri Lanka's Leading  
Full-Fledged Investment Bank



# **CAPITAL ALLIANCE HOLDINGS LIMITED**



## **P R O S P E C T U S**

### **INVITATION TO INVEST IN THE INITIAL PUBLIC OFFERING OF CAPITAL ALLIANCE HOLDINGS LIMITED**

Through an Offer for Subscription of  
One Hundred and Fifty-Seven Million Five Hundred Thousand (157,500,000)  
Ordinary Voting Shares at LKR 10.00 per Share for a Total Value of LKR 1,575,000,000

**Shares to be listed on the Main Board of the Colombo Stock Exchange**

Offer Opens on 8th May 2025

Managers and Financial Advisors to the Offer

**Capital Alliance Partners Limited**



Level 2, "Millennium House",  
46/58, Nawam Mawatha,  
Colombo 02.



**This Prospectus is dated 21st April 2025**

The delivery of this Prospectus shall not under any circumstances constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If any such material change occurs, the same will be notified by the Company via a market announcement to the Colombo Stock Exchange (CSE). If you are in any doubt regarding the contents of this Prospectus or if you require any advice in this regard, you should consult a lawyer, or any other professional advisor.

The Colombo Stock Exchange ("CSE") has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for the accuracy of the statements or omissions made, opinions expressed, or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Shares which is decided solely by the Company. In the unlikely instance of any inconsistencies between content herein and the relevant provisions in the CSE Listing Rules the CSE Listing Rules shall prevail.

This Prospectus has been prepared from the information provided by Capital Alliance Holdings Limited ("CALH," or "the Company") and its directors and/or from publicly available sources. The Company and its directors, having made all reasonable inquiries and having seen and approved this Prospectus, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of CALH have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that, in their best judgement, are considered to be reasonable at the present point in time.

The Company accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of information, prospective investors are advised to carefully read this Prospectus and rely on their own examination and assessment of the Company including the risks involved prior to making any investment decision.

No person is authorised to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorised by the Company.

All Applicants (both resident and foreign) should indicate their respective National Identity Card (NIC) Number or Company Registration Number or Passport Number, as the case may be, in the Application Form. Individual resident Applicants should indicate their Passport Number in the Application Form only if they do not have an NIC Number. As per the Directive of the Securities and Exchange Commission (SEC) made under Circular No. 08/2010 dated 22 November 2010 and Circular No. 13/2010 issued by the Central Depository Systems (Private) Limited (CDS) dated 30 November 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS account. Please note that upon the transfer of Shares under this Issue, the allotted Shares will be credited to the Applicant's CDS account so indicated. Please note that **SHARE CERTIFICATES SHALL NOT BE ISSUED**. Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the Issue Closing Date, or which indicates an inaccurate/incorrect CDS account number shall be rejected and no transfer will be made.

You can open a CDS account through any Trading Participants of the CSE as set out in Annexure 4 or through any Custodian Bank as set out in Annexure 5 of this Prospectus. You can also open a CDS account through the 'CSE Mobile App'. The CSE Mobile Application can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

### Registration of the Prospectus

A copy of this Prospectus has been delivered to the Registrar General of Companies in Sri Lanka for registration. The following documents were also attached to the copy of the Prospectus delivered to the Registrar General of Companies.

- **The Written Consent of the Financial Advisors and Managers to the Issue**

The Financial Advisors and Managers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their names as Financial Advisors and Managers to the Issue. Capital Alliance Partners Limited as Financial Advisors and Managers to the Issue has given and has not before the delivery of a copy of the Prospectus for registration withdrawn the written consent for the inclusion of the Research Report in the form in which it is included in the Prospectus.

- **The Written Consent of the Registrars to the Issue**

The Registrars to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of the name as Registrars to the Issue in the Prospectus.

- **The Written Consent of the Auditors and Reporting Accountants to the Company and to the Issue**

The Auditors and Reporting Accountants to the Company and to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Auditors and Reporting Accountants to the Company and to the Issue and for the inclusion of the Accountants' Report in connection to the Issue in the Prospectus.

- **The Written Consent of the Lawyers to the Issue**

The Lawyers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Lawyers to the Issue in the Prospectus.

- **The Written Consent of the Bankers to the Issue**

The Bankers to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Bankers to the Issue in the Prospectus.

- **The Written Consent of the Company Secretary**

The Company Secretary has given and has not before the delivery of a copy of the Prospectus for registration withdrawn the written consent for the inclusion of their name as Company Secretary in the Prospectus.

- **The Declaration by the Directors**

A declaration has been made by each of the Directors of the Company confirming that each of them has read the provisions of the Companies Act No. 7 of 2007 (as amended) relating to the issue of the Prospectus and that those provisions have been complied with.

## **Registration of the Prospectus in Jurisdictions Outside of Sri Lanka**

This Prospectus has not been registered with any authority outside of Sri Lanka. Foreign investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible for compliance with the laws relevant to their country of residence and the laws of Sri Lanka, when making their investment.

## **Representation**

No person is authorized to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company.

## **Forward Looking Statements**

Any statements included in this Prospectus that are not statements of historical fact constitute 'Forward Looking Statements'. These can be identified by the use of forward-looking terms such as 'expect', 'anticipate', 'intend', 'may', 'plan to', 'believe', 'could' and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward-Looking Statements.

Such forward looking statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company's ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may result in the Company's actual future results, performance or achievements to materially differ from what are expected, expressed or implied by Forward-Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

### **Investment Considerations**

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see 'Specific Risks Associated with The Objectives of The Issue' in Section 5.4 of this Prospectus.

### **Presentation of Currency Information and Other Numerical Data**

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to 'LKR', 'Rupees', and 'Rs.' are references to the lawful currency of Sri Lanka. Certain numerical figures in the Prospectus have been subject to rounding adjustments; accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Presentation of Macroeconomic and Industry Data**

Economic and industry data used throughout this Prospectus are derived from various industry data sources, which the Company believes to be reliable, but the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, while believed to be reliable, have not been independently verified and neither the Company nor the Financial Advisors and Managers to the Issue make any representation as to the accuracy of that information.

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## 1. ISSUE AT A GLANCE

Company	Capital Alliance Holdings Limited
Total Number of Shares to be Issued	One Hundred and Fifty-Seven Million Five Hundred Thousand (157,500,000) Ordinary Voting Shares
Share Issue Price	LKR 10.00 per Share
Amount to be Raised	LKR 1,575,000,000
Minimum Subscription per Application	<p>Minimum subscription per Application is 100 Shares. Applications exceeding the minimum subscription should be in multiples of 100 Shares</p> <p>Minimum subscription of 100 Shares will be allotted to each successful Applicant</p>
Issue Opening Date	8th May 2025
Issue Closing Date	29th May 2025
Earliest Closing Date	8th May 2025
Basis of Allotment	As described in Section 5.8 of this Prospectus
CSE Listing	To be listed on the Main Board of the CSE, subject to compliance with the CSE Listing Rules, SEC Act and the SEC Directives (as applicable). In the event the Company does not meet the eligibility criteria for listing on the Main Board, the shares will be listed on the Diri Savi Board, subject to compliance with the applicable listing requirements.

## 2. CORPORATE INFORMATION

Company	Capital Alliance Holdings Limited	
Date of Incorporation	20 March 2003	
Place of Incorporation	Colombo, Sri Lanka	
Legal Form of the Company	Incorporated in Sri Lanka on 20 <sup>th</sup> March 2003 as a limited company under the provisions of the Companies Act No. 17 of 1982 and re-registered on 8th September 2010 as a Limited Company under the provisions of Companies Act No. 7 of 2007 Authority of Incorporation: Registrar of Companies (ROC), Colombo	
Company Registration Number	PB 1456	
Registered Office and Current Place of Business	Capital Alliance Holdings Limited Level 02, Millennium House, 46/58, Nawam Mawatha, Colombo 02	
Board of Directors	Mr. Dinesh Ajit De Zoysa	Chairman – Non-Executive Non-Independent Director
	Mr. Widanalage Ajith Terence Fernando	Non-Executive Non-Independent Director
	Mr. Rajadurai James Arasaratnam	Non-Executive Non-Independent Director
	Ms. Nawalage Therese Manouri Shiromal Cooray	Non-Executive Non-Independent Director
	Mr. Thilanka Jeevan William	Non-Executive Independent Director
	Mr. Conganige Sextus Roland Sanjeewa Anthony	Non-Executive Non-Independent Director
	Ms. Rajitha Surangani Jayasuriya	Non-Executive Independent Director
	Ms. Kasturi Angela Chellaraja Wilson	Non-Executive Independent Director
	Ms. Withanage Thusitha Vipuli Perera	Non-Executive Independent Director
Company Secretaries	S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03. Tel: +94 11 257 3894 Fax: +94 11 257 3609	



Auditors to the Company	<p>KPMG Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03. Tel: +94 11 542 6426 Fax: +94 11 254 1249</p>
Bankers to the Company	<p>Seylan Bank PLC Seylan Towers, No. 90, Galle Road, Colombo 03. Tel: +94 11 245 6789 Fax: +94 11 245 6456</p> <p>Sampath Bank PLC Head Quarters Branch 110, Sir James Pieris Mawatha, Colombo 02 Tel: +94 11 230 3050 Fax: +94 11 230 3085</p> <p>Union Bank of Colombo PLC 64 Galle Rd, Colombo 03 Tel: +94 11 237 4100 Fax: +94 11 233 7818</p> <p>Nations Trust Bank PLC Level 3, Millennium House, 46/58, Nawam Mawatha, Colombo 02 Tel: +94 11 431 3131 Fax: +94 11 473 7918</p> <p>DFCC Bank PLC Head Office 73/5 Galle Rd, Colombo 03 Tel: +94 11 244 2442 Fax: +94 11 244 0376</p>

Managers and Financial Advisors to the Issue	Capital Alliance Partners Limited Level 2, "Millennium House", 46/58, Nawam Mawatha, Colombo 02. Tel: +94 11 231 7777 Fax: +94 11 231 7788
Legal Advisors and Lawyers to the Issue	Heritage Partners Attorneys-at-Law 4, Heritage House, Malalasekara Pedesa, Colombo 07. Tel: +94 117 550 096 Fax: +94 11 269 5410
Auditors and Reporting Accountants to the Issue	KPMG Chartered Accountants 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03. Tel: +94 11 5426 426 Fax: +94 11 254 1249
Registrars to the Issue	S S P Corporate Services (Private) Limited 101, Inner Flower Road, Colombo 03. Tel: +94 11 257 3894 Fax: +94 11 257 3609
Independent Valuer to the Issue	Deloitte FAS (Pvt) Ltd 100 Braybrooke Place Colombo 02 Sri Lanka Tel: +94 11 471 9838 & +94 11 771 9838 Fax: +94 11 230 3197
Bankers to the Issue	Nations Trust Bank PLC Level 3, Millennium House, 46/58, Nawam Mawatha, Colombo 2. Tel: +94 11 431 3131 Fax: +94 11 473 7918

### 3. ABBREVIATIONS

AWPLR	Average Weighted Prime Lending Rate
Bn	Billions
CALH	Capital Alliance Holdings Limited
CALI	Capital Alliance Investments Limited
CALIC	CAL Investment Consultancy FZ LLC
CALP	Capital Alliance Partners Limited
CALS	Capital Alliance Securities (Pvt) Limited
CALT	Capital Alliance PLC
CBSL	Central Bank of Sri Lanka
CDS	Central Depository System (Private) Limited
CEFTS	Common Electronic Fund Transfer Switch
CEO	Chief Executive Officer
CSE	Colombo Stock Exchange
EPS	Earnings Per Share
GDP	Gross Domestic Production
IIA	Inward Investment Account
IPO	Initial Public Offering
LKR	Sri Lankan Rupees
Mn	Millions
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
NIC	National Identity Card
No.	Number
P/E	Price to Earnings Ratio
P/BV	Price to Book Value Ratio
POA	Power of Attorney
ROE	Return on Equity
RTGS	Real-time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka

SLIPS	Sri Lanka Inter-bank Payment System
Stated Capital	The Stated Capital of Capital Alliance Holdings Limited
USD	United States Dollars
VAT	Value Added Tax
YE	Year Ended
YoY	Year over Year

## 4. TERMS RELATED TO THE ISSUE

Applicant/s	An investor who submits an Application Form in terms of this Prospectus.
Application Form, Application	The Application Form that constitutes part of this Prospectus through which the investors may apply for the New Shares
Articles of Association	Articles of Association of Capital Alliance Holdings Limited
CAL	Refers to the group of companies under Capital Alliance Holdings Limited, including all its subsidiaries.
CALH Group Employee	Includes permanent staff of CALH and its subsidiaries
Companies Act	Companies Act No. 07 of 2007 (as amended)
Company, CALH	Capital Alliance Holdings Limited
Directors	The Directors for the time being of the Company, unless otherwise stated
Foreign Investors	<p>Citizens of Sri Lanka who are resident outside Sri Lanka and above 18 years of age;</p> <p>Corporate bodies incorporated or established outside Sri Lanka;</p> <p>Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas);</p> <p>Regional and country funds approved by the SEC</p> <p>Please refer Section 6.5 for further information</p>
Float Adjusted Market Capitalisation	Public shareholding percentage of the Company multiplied by the Market Capitalisation of the Company. Market Capitalisation is based on the Share Issue Price
Issue, Offer, Offer for Subscription	An invitation to the public by the Company to subscribe to the Offered Shares to be issued via an Offer for Subscription as detailed in this Prospectus
New Shares, Offered Shares	One Hundred and Fifty-Seven Million Five Hundred Thousand (157,500,000) new Ordinary Voting Shares to be issued by the Company to the public at the Share Offer Price
Non-Retail Investor	Category shall include investors who do not fall under the 'Retail Individual Investor' or 'Unit Trusts Investor' categories.
Offer Closing, Issue Closing Date, Closure Date	29th May 2025
Offer Opening Date, Issue Opening Date	8th May 2025



Ordinary Shares, Shares, Ordinary Voting Shares and Paid-up Ordinary Shares	Ordinary Shares of the Company, with the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal Share in dividends paid by the Company and the right to an equal Share in the distribution of the surplus assets of the Company in liquidation
Prospectus	This prospectus dated 21st April 2025 issued by the Company
Share Offer Price, Share Issue Price	The price at which the New Shares will be offered to the public, as detailed in the Prospectus. Share Offer price of LKR 10.00 per Ordinary Voting Share
Unit Trust Investor	Includes growth or balanced Unit Trusts operated by Managing Companies licensed by the Securities and Exchange Commission of Sri Lanka (SEC), under the SEC Directive SEC/LEG/11/06/01, to operate such Unit Trusts, where such Unit Trust comprises of not less than Five Hundred (500) unit-holders resident in Sri Lanka who together hold at least 50% of that fund.
Retail Individual Investor	Shall mean an individual investor who subscribes for a maximum of Ten Thousand (10,000) shares or a value of not more than Rupees One Hundred Thousand (LKR 100,000).

## 5. DETAILS OF THE ISSUE

### 5.1 THE ISSUE

The Issue contemplated herein shall constitute an invitation made to the general public to subscribe for One Hundred and Fifty-Seven Million Five Hundred Thousand (157,500,000) Ordinary Voting Shares through an Offer for Subscription. The Offered Shares amount to approximately 7.60% of the Ordinary Voting Shares of the Company at an Issue Price of Rupees Ten (LKR 10.00) per Share, payable in full in cash on application, on the terms and conditions set out in this Prospectus. The Issue will constitute an Offer for Subscription, as detailed below:

*Table 5 1 The Issue*

Number of New Shares Issued	One Hundred and Fifty-Seven Million Five Hundred Thousand (157,500,000) Ordinary Voting Shares
Percentage of Shares on Offer	7.60%
Issue Price per Share	LKR 10.00
Issue Value	LKR 1,575,000,000

### 5.2 NATURE OF THE NEW SHARES ISSUED

One Hundred and Fifty-Seven Million Five Hundred Thousand (157,500,000) Ordinary Voting Shares offered shall, upon allotment, rank equal and Pari passu in all respects with the other existing Ordinary Voting Shares of the Company to be listed and such Shares shall confer on the holder thereof the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in any dividend that may be paid by the Company after the allotment of the Offered Shares and the right to an equal share in the distribution of the surplus assets of the Company in a liquidation.

### 5.3 OBJECTIVES OF THE ISSUE

The primary objective of the Initial Public Offering (IPO) is to raise capital to support CAL Group's strategic growth initiatives, enabling the company to expand its geographic reach, enhance technological capabilities, and diversify its service offerings. The proceeds from the IPO will be allocated to four key initiatives aimed at strengthening CALH's market position and creating long-term value for shareholders.

1. Market Expansion into Frontier Markets
2. Digitization Initiative
3. Expansion of Broker Credit Portfolio for Capital Alliance Securities (Pvt) Ltd (CALS)
4. Investing in Assets Leveraging CAL'S Market Expertise

Collectively, these investments underscore CALH's commitment to its mission of becoming a premier capital market solutions provider within frontier markets. By strategically allocating IPO proceeds, CALH will solidify its foundation for sustained growth, thereby creating enhanced value for its shareholders.

#### 5.3.1 MARKET EXPANSION INTO FRONTIER MARKETS – LKR 750,000,000

With a strong track record in Sri Lanka and Bangladesh, CAL has established a presence with approximately ~USD 2 billion footprint. Strategically positioned for expansion into frontier markets, CALH aims to capitalise on

the significant opportunities in East Africa, driven by increasing regional integration, economic liberalisation, and infrastructure development. This expansion strategy is anticipated to deliver considerable benefits to CALH shareholders by enabling access to high-growth opportunities, diversification of revenue streams, and enhanced long-term profitability.

Kenya has been identified as a strategic entry point to the broader East African market. Accordingly, CALH plans to establish a fully-fledged investment banking operation in the country, further strengthening its regional presence and capabilities.

Kenya, with a GDP of approximately USD 120 billion and a population of 55 million, is part of the larger East African region, which has a combined GDP of USD 600 billion and a total population of 510 million. East Africa is projected to be one of the fastest-growing regions globally, with an estimated annual growth rate of 5–6% over the next decade.

The proposed capital raise of LKR 750 million will be allocated towards regulatory requirements, expansion-related expenses, and infrastructure integration, ensuring compliance and operational alignment with CALH's existing markets. The entry into Kenya will be pursued through one of the following approaches:

- i. Acquisition of an existing company, which will then be integrated into the CAL Group; or
- ii. Application for a new licence, establishing operations from the ground up.

CALH is currently focused on acquiring an existing fully licenced capital market service provider in Kenya, that holds an investment banking license, stock brokering license, and primary dealing license. If a fully-fledged capital market service provider is not available, CALH will consider acquiring companies engaged in one or more of these services and subsequently pursue the other necessary licenses. The target company for acquisition has not yet been finalized, and the estimated timeline for completion, including regulatory approvals, is approximately 4 to 5 months.

Establishing a new entity will only be considered if a suitable acquisition cannot be identified or successfully completed, with an estimated timeline of approximately 5 to 6 months.

Until these funds are fully allocated to the relevant objective, they will be invested in short term instruments such as unit trusts, short term fixed deposits and government treasury bills to generate returns with the interest income generated being re-invested in the same instrument. Any funds that remain unutilised will be redirected towards the fourth objective stated in section 5.3.4 "Investing in assets leveraging CAL's expertise".

The assessment of potential acquisition targets is currently underway. The funds required for an acquisition or new licence will be transferred overseas upon obtaining the necessary approvals from the Central Bank of Sri Lanka (CBSL).

***Note: The subsidiary of CALH to be acquired or established in Kenya will be required to meet the minimum capital requirement necessary to obtain a comprehensive investment banking licence. As stipulated under Section 18.(2).(i) of The Capital Markets (Licensing Requirements) Regulations, 2023, this involves a paid-up capital requirement of approximately LKR 600 million (250 million Kenyan shillings).***

### 5.3.2 DIGITIZATION INITIATIVE – LKR 150,000,000

CAL has experienced significant growth in its client base, with an increase of 60%, in terms of client counts, over the past year. To scale operations efficiently while maintaining cost-effectiveness, digitalisation will be a critical enabler, allowing CAL to expand sustainably without a proportional rise in overhead costs.

CALH plans to integrate its operations across its offices in three countries, ensuring seamless service delivery and enhanced client experience. This integration will drive operational efficiency, strengthen cross-border synergies, and support the firm's long-term growth objectives.

IPO proceeds will support the digitalization initiative as outlined below:

- Adding new servers to support increased operational demands. – LKR 22,500,000
- Expanding client-facing digital tools to enhance the retail platform. – LKR 35,000,000
- Strengthening the support team. – LKR 25,000,000
- Growing the in-house tech team. – LKR 42,500,000
- Enhancing cybersecurity measures. – LKR 25,000,000

Vendors have not been finalized but will be selected based on various criteria such as price, reliability, and availability at the time of purchase.

Currently, retail clients account for a small portion of CAL's overall footprint. However, a significant increase in market share is anticipated in the coming years. This digitalization initiative will not only support business growth but also enhance shareholder value by driving higher profitability, improving operational efficiency, and strengthening CAL's competitive position in the market.

The planned digitalisation strategy will be a key enabler in scaling CAL's retail business efficiently while maintaining cost-effectiveness. This initiative aims to enhance accessibility, improve client engagement, and drive sustainable growth in the retail segment.

CAL plans to utilise the allocated funds for the digitalisation initiative by the end of FY2026. Any funds that remain unutilised will be redirected towards the fourth objective stated in section 5.3.4 "Investing in assets leveraging CAL's expertise". Until these funds are fully allocated to the relevant objective, they will be invested in short term instruments such as unit trusts, short term fixed deposits and government treasury bills to generate returns while ensuring liquidity and capital preservation.

### 5.3.3 EXPANSION OF BROKER CREDIT PORTFOLIO FOR CAPITAL ALLIANCE SECURITIES (PVT) LTD (CALS) – LKR 375,000,000

A portion of the proceeds will be allocated to expanding CALS's stock brokering credit portfolio. This will enable CALS to provide increased financing for short term leveraged trading, thereby boosting transaction volumes, and capturing market share as the public markets continue to expand. This initiative is expected to enhance shareholder value by driving revenue growth, increasing profitability, and strengthening CALS's competitive position in the industry. This will be carried out as debt infusion from CALH to CALS.

If the allocated funds for the initiative are not fully utilised, the remaining amount will be redirected towards the fourth objective stated in section 5.3.4 “Investing in assets leveraging CAL’s expertise”.

While CAL plans to utilise the funds by the end of FY2026, the timeline will depend on market activity and broker credit demand in the coming quarters. Until these funds are fully allocated to the relevant objective, they will be invested in short-term instruments such as unit trusts, fixed deposits and government treasury bills at the prevailing rate of return to generate returns while ensuring liquidity and capital preservation.

#### **Related Party Transaction (RPT) Considerations**

This initiative qualifies as a Related Party Transaction (RPT). The due process for the Related Party Transactions Review Committee (RPTRC) has not yet been followed; however, the matter will be presented to the Board, subject to being recommended by the Related Party Transactions Review Committee for approval at the time of fund allocation. The due process for the Related Party Transactions Review Committee (RPTRC) has not yet been followed; however, the matter will be presented to the Board, subject to being recommended by the Related Party Transactions Review Committee for approval at the time of fund allocation.

The RPTRC members who will evaluate this transaction include:

- Ms. Kasturi Angela Chellaraja Wilson(Chair)
- Ms. Withanage Thusitha Vipuli Perera
- Mr. Conganige Sextus Roland Sanjeewa Anthony

There are no common directors between CALH and CALS. As such, no directors are required to refrain from reviewing the transaction.

#### **5.3.4 INVESTING IN ASSETS LEVERAGING CAL’S MARKET EXPERTISE – LKR 300,000,000**

##### **Strategic Investment Approach**

The funds will be allocated as an investment in CALH, which will deploy them using its market expertise to capitalize on identified market opportunities. All investments will be executed solely through CALH, with no allocation to its subsidiaries.

With over two decades of financial market expertise, CALH leverages advanced analytics, macroeconomic insights, and research-driven strategies to anticipate market trends and identify opportunities, with the ultimate goal of generating profit through its investing activities. Through active asset allocation and strategic positioning across various asset classes, CALH is positioned to capitalize on market inefficiencies, enhance profitability, and create sustained shareholder value.

Funds will be invested across government securities, unit trusts, corporate debt, and equity (both listed and private). The investment portfolio will be selected based on a comprehensive evaluation of macroeconomic trends, interest rate movements, market liquidity, and risk-return dynamics, ensuring alignment with CALH’s strategic objectives and risk management framework.



### Decision-Making Oversight

Investment decisions will be overseen by the Board of Directors, ensuring a structured and disciplined approach. The Board will be responsible for:

- Evaluating potential investments
- Conducting rigorous due diligence
- Overseeing decision-making to align investments with the firm's strategic goals and risk framework

Additionally, the Board will ensure continuous monitoring and governance to optimize portfolio performance while maintaining compliance with regulatory and internal guidelines.

### Fund Deployment and Liquidity Management

Ability to deploy funds will be subject to fluctuations in interest rates, availability of market opportunities, and prevailing economic conditions. The typical process, for investments larger than LKR 100 million, from due diligence to committee approval and capital deployment, typically takes 2 to 4 months. CALH intends to deploy the funds for this objective by or before 31st December 2026. Until these funds are fully allocated to the relevant objective, they will be invested in short-term instruments such as unit trusts, fixed deposits and government treasury bills at the prevailing rate of return to generate returns while ensuring liquidity and capital preservation.

The Objectives of the IPO do not amount to a Major Transaction for the Company in terms of Section 185 of the Companies Act, No. 07 of 2007.

## 5.4 SPECIFIC RISKS ASSOCIATED WITH THE OBJECTIVES OF THE ISSUE

While the objectives of the IPO are aimed at facilitating growth and strengthening market position, there are specific risks that should be considered:

### 5.4.1 RISKS ASSOCIATED WITH THE MARKET EXPANSION INTO FRONTIER MARKETS

Expanding into frontier markets presents geopolitical, regulatory, and economic risks. Adverse changes in government policies, regional instability, and difficulties in obtaining regulatory approvals may impede the planned expansion. Additionally, currency volatility, political uncertainty, and changes in regulatory capital requirements could further impact operations. Market competition and challenges in integrating with existing operations may also pose significant hurdles.

Furthermore, transferring capital from Sri Lanka to an overseas jurisdiction is subject to regulatory approvals from the relevant authorities, including approval from the Department of Foreign Exchange of the Central Bank of Sri Lanka (CBSL), which could present additional constraints and delays. The process may also encounter potential challenges depending on the quantum of funds required for this objective, as larger transactions (amounts larger than 500,000 USD per year) might face heightened scrutiny and extended approval timelines.

### 5.4.2 RISKS ASSOCIATED WITH THE DIGITIZATION INITIATIVE

Technological upgrades carry inherent risks, including implementation delays, and cost overruns. The reliance on technology also increases vulnerability to system failures or security breaches, which could negatively impact client trust and operational efficiency. Additionally, challenges in integrating operations across multiple countries

may arise due to regulatory differences, infrastructure limitations, and coordination complexities. The effectiveness of the digitalization strategy in driving retail growth is also subject to market adoption, user engagement, and competition from established players. Further, certain IT infrastructure products/services are paid for in USD, exposing the Company to currency fluctuation risks. In the event funds raised via Offer for Subscription are insufficient to cover cost overruns, CALH would utilise internally generated funds or undertake external borrowings, as required to finance the same.

#### **5.4.3 RISKS ASSOCIATED WITH THE EXPANSION OF BROKER CREDIT PORTFOLIO**

Expanding the broker credit portfolio exposes CALS to increased financial risk, particularly during periods of market volatility. Additionally, lending to related parties presents potential conflicts of interest and credit risk, which may impact the company's financial stability. The inherent market risks associated with share trading, including fluctuations in stock prices, liquidity constraints, and broader economic conditions, further contribute to the overall risk profile of the margin portfolio.

#### **5.4.4 RISKS ASSOCIATED WITH INVESTING IN ASSETS LEVERAGING CAL'S MARKET EXPERTISE**

Investing in a diverse range of assets, including government securities, mutual funds, corporate debt, and private equity, exposes CALH to various market risks. These risks include:

1. Interest Rate Risk
  - > Fluctuations in interest rates can affect the valuation of fixed-income securities.
  - > Rising interest rates may lead to a decline in bond prices, impacting investment returns.
2. Credit Risk
  - > Issuers of corporate debt may default on their obligations.
  - > A deterioration in the creditworthiness of issuers can lead to a decline in bond values.
3. Liquidity Risk
  - > Certain assets, particularly in private markets, may be difficult to sell at fair value.
  - > During periods of financial stress, liquidity constraints can lead to forced sales at unfavourable prices.
4. Equity Market Volatility
  - > Mutual funds and private equity investments are subject to price fluctuations.
  - > Market downturns can lead to significant declines in portfolio value.
5. Macroeconomic and Geopolitical Risks
  - > Inflation can erode the real returns on investments.
  - > Regulatory changes may impact investment strategies and asset valuations.

#### 5.4.5 RISK OF NOT BEING ABLE TO INVEST THE FUNDS RAISED FOR THE STIPULATED OBJECTIVES AND/OR THE STIPULATED TIMELINES

CALH does not intend to deviate from the objectives mentioned above when utilising the proceeds raised through the Issue. However, in the event the Company cannot proceed with the said objectives, for any reason not attributed to the Company, the Company would evaluate the next best alternative of investing such funds without undue delay.

In the event proceeds raised via the Issue are utilised for any purpose other than the objectives mentioned above, or if there is any deviation from the amount allocated for the objectives, the Company will make necessary disclosures to the shareholders via the CSE and include relevant disclosures in the Interim Financial Statements and the Annual Report as appropriate and will take steps to obtain any necessary approvals of the relevant parties, including the shareholders, as appropriate at that point in time.

The Company will disclose the information pertaining to the utilisation of proceeds of the Issue in the Annual Report and in Interim Financial Statements from the date of raising funds until the objective is achieved, and until funds are fully utilised as per the template referred to below;

*Table 5.2 Continuous Disclosure on Utilisation of Proceeds of the Issue*

Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus	Proposed Date of Utilisation as per Prospectus	Amount allocated upon the receipt of proceeds in LKR (A)	as a % of total proceeds	Amounts Utilised in the Objective (LKR Mn) (B)	% of utilised against allocation (B/A)	Clarification if not fully utilised including where the funds are invested (e.g. whether lent to related party/s etc)
	-	-		-	-		-	-
	-	-		-	-		-	-

In the event the Company is unable to invest the funds raised within the stipulated timelines, the Company will make necessary disclosures to the shareholders via the CSE and include relevant disclosures in the Interim Financial Statements and the Annual Report as appropriate, and will take steps to regularise such delay and proceed with the investment in line with the revised timelines, subject to obtaining any necessary approvals of the relevant parties, including the shareholders, as appropriate at that point in time.

In the event the proceeds raised through Offer for Subscription have been fully utilised by the Company for any objective as disclosed in the Prospectus between two financial periods, the Company would disclose such fact in the immediate succeeding Annual Report or the Interim Financial Statement, whichever is published first, subsequent to the utilisation in its entirety as per the above template.

## 5.5 LISTING AND COMPLIANCE WITH THE SEC ACT AND LISTING RULES

The Ordinary Voting Shares offered via the Offer for Subscription amounting to One Hundred and Fifty-Seven Million Five Hundred Thousand (157,500,000) and, if fully subscribed, will amount to 7.60% of the Offered and Paid-up Ordinary Shares of the Company.

An application has been made and approved in principle by the CSE for permission to deal in, and for a listing of Two billion, seventy-two million, forty-nine thousand, three hundred forty-five (2,072,049,345) Ordinary Voting Shares of the Company which will take place on the Main Board of the CSE.

However, the CSE has reserved the right to withdraw such approval, in the circumstances set out in Rule 2.3(b) of the Listing Rules of the CSE.

Furthermore, CALH has obtained the requisite approval from CSE for the public offer of the existing shares. The Company has also lodged a copy of the Prospectus with the SEC in terms of section 82 of the SEC Act.

The Company has already complied with Rule 2.1.2 (A) (i) (a), (b) and (d) of the CSE Listing Rules for a Main Board listing.

It is expected that the Company will meet the minimum number of public shareholders requirement set out in Rule 2.1.2 (A) (i) (c) via the offer pursuant to which the listing of the entire ordinary shares of the Company will take place on the Main Board of the CSE.

In the event CALH is unable to meet the requirements of Rule 2.1.2 (A) (i) (c) of the CSE Listing Rules as mentioned above, the Company will list on the Diri Savi Board meeting the requirements of Rule 2.1.2 (A) (ii) (c) of the CSE Listing Rules.

In the event the Company is unable to satisfy the listing requirements of either the Main Board or the Diri Savi Board of the CSE, the securities of the Company will not be listed, and all monies received from applicants will be refunded in accordance with the applicable regulations.

It should be noted that the aforesaid public holding requirements would be calculated by considering all shares that are freely tradable on the date of listing. The details of shares subject to lock-in are mentioned in Section 7.6 of the Prospectus.

## 5.6 SHARE ISSUE PRICE

The Board of Directors of the Company has, after careful consideration, resolved that the Issue Price of Rupees Ten (LKR 10.00) per rate hare for the New Ordinary Voting Shares being offered, is fair and reasonable to the Company and to all existing Shareholders of the Company as per Section 52 of the Companies Act.

The Issue Price was set by the Company's Board of Directors after reviewing the valuation done by the Independent Valuers and in collaboration with the Financial Advisors and Managers to the issue. The table below summarizes the valuation methods employed to determine the Issue Price:

**Table 5 3 Summary Valuation**

Valuation Method	Value per Share (LKR)	Issue Price Discount/(Premium) to Valuation
Sum of the Parts (SOTP)	12.59*	20.57%

Source: Independent Valuation Report (Annexure 6), CALH Financial Statements for the period ending 30th Sep 2024

\*Mid-point of the valuation range Rs. 12.16 – Rs. 13.02

The Independent Valuers to the Issue have used the Sum of the Parts (SOTP) method as the primary valuation methodology, as this is the most suitable method to value a Holding Company which operates multiple business units serving different segments of capital markets. Based on the primary valuation methodology, the **Issue Price is at a 20.57% discount**. This IPO discount is offered to investors in order to provide a potential upside on their investment.

The Adjusted Net Asset per Share is equal to 9.33 LKR per share (as at 31st Dec 2024).

Please refer the Independent Valuation Report (Annexure 6) for further details on the valuation.

The investors should read the quantitative and qualitative factors given in Section 5.6, the risk factors included under Section 5.4 of this Prospectus and the details of the Company, and its financial statements included in this Prospectus.

### 5.6.1 QUANTITATIVE FACTORS

The following quantitative factors were used to determine the Issue Price.

#### A. CALH's Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings (P/E) Ratio

**Table 5 4 Historical and Adjusted Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings Ratio (P/E)**

Based on Reported Financials	Basic EPS (LKR) [1]	Diluted EPS (LKR) [2]	Adjusted Basic EPS (LKR) [3]	Return on Equity [4]	NAVPS	Adjusted NAVPS [3]	P/E Ratio (Times) [5]	P/BV Ratio (Times)
31st March 2021	10.73	10.73	0.72	35.9%	29.80	1.99	13.99	5.03
31st March 2022	1.79	1.79	0.12	5.8%	31.00	2.07	83.63	4.84
31st March 2023	23.48	23.48	1.57	43.1%	52.86	3.52	6.39	2.84
31st March 2024	103.97	103.97	6.93	68.3%	129.99	8.67	1.44	1.15
Average EPS	34.99	34.99	2.33	N/A	N/A	N/A	N/A	N/A
9 months ended 31 December 2024 [6]	1.78	1.78	1.78	N/A	9.33	9.33	N/A	1.07

Source: CALH Audited Financial Statements, CALH Unaudited Financial Statements

[1] Basic EPS calculated as Net Profit Attributable to Shareholders divided by Weighted Average Number of Equity Shares Outstanding during the Period

[2] CALH does not have any dilutive instruments in the capital structure

[3] Adjusted to factor in the 15:1 share sub-division carried out on 23rd December 2024

[4] Return on Equity calculated as Profit attributable to owners of the company divided by Equity attributable to the owners of the Company at the End of the Period

[5] P/E Ratio and PBV of CALH is calculated on the IPO Issue Price of LKR 10.00

[6] as per Unaudited Financial Statements



**B. CALH's P/E in relation to the Offer Price of LKR 10.00 per Share**

- a. Based on the Adjusted Basic EPS of LKR 6.93 for the Financial Year ended 31st March 2024, the P/E Ratio is 1.44 times.
- b. Based on the Four-year average (FY21 – FY24) Adjusted EPS of LKR 2.33, the P/E ratio is 4.27 times.

**C. CALH's Net Asset Value (NAV) per Share and Price-to-Book Value (P/BV) Ratio**

1. Based on the NAV per Share in the latest audited financial statements as at 31 March 2024 of LKR 129.99 (Adjusted NAV per Share post share sub-division is LKR 8.67), the P/BV ratio is 1.15 times.
2. Based on the NAV per Share in the latest unaudited interim financial statements as at 31st December 2024 of LKR 9.33/share, the P/BV ratio is 1.07 times.

**D. Comparison of Accounting Ratios**

Peer Entity	NAV (Rs.)	EPS (Rs.)	P/E	ROE % [1]
First Capital Holdings PLC	17.58	22.15	1.55	135.8%

Source: Annual Report 2023/24 (period ending 31st March 2024)

Sector Classification of peers: Diversified Financials / Investment Banking & Brokerage

[1] Return on Equity calculated as Profit attributable to owners of the company divided by Average Equity attributable to the owners of the Company.

**5.6.2 QUALITATIVE FACTORS**

The following qualitative factors were considered when determining the Issue Price for CALH:

**1. Synergistic Benefits from Being Part of a Diversified Financial Services Group**

As part of the larger CAL Group, CALH benefits from substantial knowledge-sharing and synergies across various financial services within the group, including corporate advisory, asset management, and Stock brokering. This collaborative structure provides CALH with a competitive advantage, enabling the delivery of comprehensive, cross-functional solutions to clients and ensuring access to a broad spectrum of financial services. These synergies enhance CALH's ability to leverage group-wide resources to provide superior client service and create long-term value for stakeholders.

**2. Digitalization to Attract a Broader Customer Base**

CALH is leveraging digitalization to attract a larger segment of the population by providing seamless integration across products offered by each of its business units. Through advanced digital platforms, clients can effortlessly move between different offerings, such as stocks, bonds, bills, and unit trusts. This integrated approach not only simplifies the user experience but also encourages greater participation in capital markets by making investment processes more accessible and user-friendly. By utilizing technology to enhance connectivity between its product lines, CALH is well-positioned to capture a wider customer base and drive financial inclusion across different market segments.

### 3. Commitment to Regional Expansion and Market Leadership

With successful operations in Sri Lanka and Bangladesh, CALH has established itself as a leader in providing frontier capital market solutions. The planned expansion into Frontier Markets is a testament to the company's commitment to regional growth and market leadership. This geographic diversification is expected to open up new revenue streams and enhance CALH's position as a premier provider of capital market services in frontier markets. The company's strategic vision, combined with its operational expertise, positions it to capitalize on growth opportunities in high-potential regions.

### 4. Development and Expansion of Capital Markets in Sri Lanka

Sri Lanka's capital markets are undergoing significant development and expansion, driven by government reforms, increased investor participation, and economic recovery. CALH is well-positioned to benefit from these favourable market dynamics, given its leadership role in the investment banking sector and deep understanding of the local regulatory landscape. By leveraging its expertise, CALH can capitalize on the growth of capital markets by offering innovative financial products and advisory services, thereby further solidifying its position as a market leader and creating value for shareholders.

### 5. Other Assumptions

Management assumes a reasonably stable economic environment and interest rate regime in the short to medium term.

## 5.7 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list for the Shares will open at 9.00 a.m. on 8th May 2025 and shall, subject to the occurrence of the events in the following paragraph, remain open for fourteen (14) Market Days (including the date of opening) until closure at 4.30 p.m. 29th May 2025. However, in the event of an oversubscription, the subscription list will be closed on an earlier date at 4.30 p.m. with notification to the CSE. Accordingly, the Earliest Issue Closing Date shall be the Issue Opening Date (i.e. 8th May 2025). The Board of CALH reserves the right to close the subscription list on any Market Day within the period of fourteen (14) Market Days, irrespective of whether the Issue is oversubscribed or not, by providing one (01) Market Day's prior notice to the CSE. Applications may be made forthwith in the manner set out in Section 6 of this Prospectus.

## 5.8 BASIS OF ALLOTMENT

The basis of allotting the shares will be as per the manner prescribed in the CSE Listing Rule 2.1.1 (g) (i) (ii), since the size of the Offering is less than LKR 3.0bn. The basis of allotment will be as follows:

*Table 5.5 Basis of Allotment*

Investor Category	Percentage of Issue Allocated
CALH Group Employees	10.00%
Unit Trusts Investors	10.00%
Non - Retail Investors	40.00%
Retail Individual Investors	40.00%
Total	100.00%

In determining the basis of allotment within the Retail Individual Investor Category, individual investors who subscribe for a small number of shares shall be given priority.

**'CALH Group Employees'** includes permanent staff of CALH and its subsidiaries who will be allocated shares on a preferential basis.

**'Unit Trust Investor'** includes growth or balanced Unit Trusts operated by Managing Companies licensed by the Securities and Exchange Commission of Sri Lanka (SEC) to operate such Unit Trusts, where such Unit Trust comprises of not less than Five Hundred (500) unit-holders resident in Sri Lanka who together hold at least 50% of that fund.

Please note that the Company will examine whether the Applicants under Unit Trusts investor category comply with criteria defined by the SEC Directive dated 06th June 2011 (SEC/LEG/11/06/01) and CSE Listing Rule 2.1.1 (g) (i) (ii) (b).

**'Retail Individual Investor'** shall mean an individual investor who subscribes for a maximum of Ten Thousand (10,000) shares or a value of not more than Rupees One Hundred Thousand (LKR 100,000).

**'Non-Retail Investor'** category shall include investors who do not fall under the 'Retail Individual Investor' or 'Unit Trusts Investor' categories.

Immediately after the basis of allotment being decided by the Board of Directors of the Company an announcement will be made to the CSE. The Company will notify successful applicants on their allotment within Ten (10) market days from the date of closure of the Offering.

In the event of an under subscription in the Retail Individual Investor Category, the Unit Trust Investor Category shall be given first priority in the allotment of the unsubscribed Shares.

In the event of an under subscription in the Unit Trust Investor Category, the Retail Individual Investor Category shall be given first priority in allotment of the unsubscribed Shares.

In the event of an under subscription in any one or more of the categories, the quantum of Shares unsubscribed may be redistributed to other categories that may be oversubscribed in a fair manner at the discretion of the Board of Directors, applicable in the case of the Non-Retail Investor Category.

In the event of an oversubscription in any one or more of the categories mentioned above, the basis of allotment will be decided by the Board of Directors in a fair and equitable manner in compliance with CSE Listing Rule 2.1.1 (g) (l).

Redistribution will not apply in the event of an oversubscription or under subscription in all the categories.

## 5.9 COST OF THE OFFER

The Directors of the Company estimate that the total cost of the Share Offer will be approximately LKR 55.95 Mn translating to c. 3.55% of the funds raised.

The above cost estimation includes the initial listing fees, fees payable to the Managers and Financial Advisor to the Issue, Registrars to the Issue, Bankers to the Issue, Lawyers to the Issuer, Independent Valuers to the Issue, advertising and promotional agency, costs of postage, stamp duty and printing, and brokerage commission.

## 5.10 BROKERAGE

Brokerage at the rate of zero decimal five per centum (0.50%) will be paid by the Company in respect of the number of shares allotted on applications bearing the stamp of any Trading participants of the CSE or any bank operating in Sri Lanka or the Bankers to the Issue or Managers and Financial Advisors to the Issue.

## 5.11 MINIMUM SUBSCRIPTION AND UNDERWRITING

In the opinion of the Directors, there is no minimum subscription required for this Issue, other than the minimum public holding requirement necessary to meet the listing requirements. The minimum public holding requirement for the Main Board mandates at least 500 public shareholders, while the Diri Savi Board requires a minimum of 200 public shareholders. CALH currently has 8 public shareholders pre-IPO. To qualify for a Main Board listing, it will require an additional 492 public shareholders, while a Diri Savi Board listing would require an additional 192 public shareholders. The minimum public holding % for the Main Board mandates 10% for a company with a float adjusted market capitalization of Rs. 2.5 billion, while the Diri Savi Board requires 7.5%. CALH currently has 4.73% of its total shares (on a post-IPO basis) held by public shareholders. It plans to offer an additional 7.60% of its total shares to the public. To satisfy the public holding requirements, at least 5.27% of total shares must be taken up by public investors at the IPO for a Main Board listing, while a minimum of 2.77% is required for a Diri Savi Board listing.

No underwriting arrangements have been made for this Share Issue. In the event the Offer is undersubscribed, subscribers will be allotted in full, provided that the company is capable of meeting either the Main or Diri Savi Board criterion and the Company will utilize internal funds and external borrowings to achieve the stated objectives.

## 5.12 INSPECTION OF DOCUMENTS

Articles of Association, Auditors' Report and Audited Financial Statements for the last five (5) financial years ended 31 March immediately preceding the date of this Prospectus, Accountants Report and Summary Financial Statements for the five (5) financial years immediately preceding the date of this Prospectus, material contracts and Management Agreements (if any), or in the case of contracts not reduced into writing a Memorandum giving full particulars thereof and the Research Report prepared by the Financial Advisors and Managers to the Offer would be made available for inspection by the public during normal working hours at the registered office of the Company, at Level 2, "Millennium House", 46/58, Nawam Mawatha, Colombo 02 from the date hereof, until the subscription list is closed or up to 14 market days, whichever is later as per Rule 3.1.19 (a) of the CSE Listing Rules.

The Prospectus, Application Form and Articles of Association of the Company will be available on the website of the CSE, [www.cse.lk](http://www.cse.lk), on the website of the Company and, on the website of the Manager to the Issue [www.cal.lk](http://www.cal.lk), from the date hereof for a period of not less than fourteen (14) Market Days as stipulated in Rule 3.1.19 (b) of the CSE Listing Rules.

The Independent Valuation Report justifying the Share Offer Price will be available on the website of the CSE, [www.cse.lk](http://www.cse.lk), on the Company website, [www.cal.lk](http://www.cal.lk), and on the website of the Managers to the Issue [www.cal.lk](http://www.cal.lk), from the date hereof, for a period of not less than two (2) months as stipulated in Rule 3.1.19 (c) of the CSE Listing Rules.

## 6. PROCEDURE FOR APPLICATION

### 6.1 ELIGIBILITY TO INVEST

Applications are invited from the following categories of applicants, **having a valid CDS account in the Central Depository System (Private) Limited (CDS Account):**

1. Citizens of Sri Lanka who are resident within Sri Lanka and are above 18 years of age.
2. Citizens of Sri Lanka resident outside of Sri Lanka and who are above 18 years of age.
3. Companies, Corporations or Institutions incorporated or established within Sri Lanka.
4. Corporate bodies incorporated or established outside Sri Lanka.
5. Approved Unit Trusts licensed by the SEC.
6. Approved Provident Funds and approved contributory pension schemes registered / incorporated / established in Sri Lanka. (in this case, Applications should be in the name of the Trustee/Board of Management).
7. Foreign Citizens who are above 18 years of age (irrespective of whether they are Resident in Sri Lanka or overseas).
8. Global, Regional and Country funds approved by the SEC.

Applications made by **individuals less than 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.**

Applications submitted by investors mentioned in items (b), (d), (g) and (h) above should be in accordance with the provisions of Foreign Exchange Act, No. 12 of 2017 and any regulations and/or directions issued thereunder.

Applications submitted under the Unit Trust Investor Category should conform to the criteria defined by the SEC Directive dated 6 June 2011 (Ref: SEC/LEG/11/06/01).

Eligible Applicants may fall into one of the following categories.

- i. Employees of the CAL Group
- ii. Retail Individual Investor Category
- iii. Unit Trust Investor Category
- iv. Non-Retail Investor Category

Please refer to “Glossary of Terms Related to the Issue” for the definitions of the aforementioned categories.

## 6.2 HOW TO APPLY

### Availability of Prospectus and Application Form

Applicants applying for Shares should submit their applications in the manner set out below as applicable to you.

#### i. Via Physical Delivery

The Application Form will be made available free of charge from the collection points listed in Annexure 4. The Prospectus and the Application Form can also be downloaded from [www.cse.lk](http://www.cse.lk), [www.cal.lk](http://www.cal.lk), on the websites of the Managers to the Issue [www.cal.lk](http://www.cal.lk). Please refer Section 6.9 for submission of Application Forms. Investors must download the Application Form, print and submit same together with relevant supporting documents via physical delivery.

Applicants must apply for the Shares through the Application Form, which constitutes part of this Prospectus. The Application Form should be legibly completed and be received by the Registrars to the Issue.

*Note on Availability of the Prospectus - Capital Alliance Holdings Limited has submitted a formal request to the Colombo Stock Exchange (CSE) seeking a waiver from the requirement to print and distribute physical copies of this Prospectus, in accordance with Section 2.4(f) of the CSE Listing Rules. Following a careful review, the CSE has granted approval for the Prospectus and application forms to be made available solely in electronic form. Accordingly, soft copies of the final Prospectus and application forms will be made accessible on the websites of Capital Alliance Holdings Limited and the Colombo Stock Exchange, and will be available to all members, trading members, and the investing public at least ten (10) market days prior to the opening of the subscription list.*

#### ii. Via CSE Mobile App

Applicants who register with the CSE Mobile App should follow the instructions set out in the said Mobile App and submit their application as per the instructions. Submission of digital Application Forms through such CSE Mobile App is limited to both citizens of Sri Lanka who are resident in or outside Sri Lanka and are above 18 years of age and, foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas) only.

The Mobile App, currently, does not facilitate Applications made through Power of Attorney (POA), Margin Trading, Joint Applicants and the categories referred to in Section 6.1 sub-sections iii, iv, v, vi and viii to apply. Therefore, such Applicants may send their applications physically as disclosed above.

#### iii. CDS Web Portal

The Applicant can use the online Application Web Portal accessible via <https://ipo.cse.lk/> or [www.cds.lk](http://www.cds.lk) or <https://www.linkedin.com/company/cds-srilanka>. Only resident and non-resident individual Applicants who have a valid CDS account at the time of application can apply via the CDS Web Portal.

This option is not permitted for Applicants applying via POA, Margin Trading, Joint Applicants, corporate bodies and Unit Trusts.

The Applicant must comply with the instructions stated on the Web Portal when submitting the online Application.

**Any Application submitted without a valid CDS account will be rejected.**

Users must first register for the Web Portal and read the instructions given on the Web Portal carefully and click on “Apply Now” option. Users will be directed to a page to self-register and create a login by validating their mobile number and email address. Once the user logs-in to the Web Portal the Application can be completed and submitted via the CDS Web Portal.

**iv. CDS eConnect**

Institutional users (CDS Account types of Local Customer & Foreign Customer) who are registered to the CDS eConnect facility are allowed to apply for the IPO through their registered CDS eConnect. Registered eConnect Institutional users (Applicant categories iii, iv, v, vi, viii mentioned in Section 6.1), have an option for “eIPOs” within their eConnect facility, through which they are enabled to select the relevant IPO and apply.

**APPLICANTS SHOULD APPLY ONLY THROUGH ONE INVESTOR CATEGORY (INCLUDING JOINT APPLICANTS) AND WOULD BE PERMITTED TO SUBMIT ONLY ONE APPLICATION FORM. TWO OR MORE APPLICATIONS SUBMITTED BY THE SAME APPLICANT EITHER UNDER THE SAME CATEGORY OR UNDER DIFFERENT CATEGORIES WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.**

**Retail Individual and Non-Retail Investor Category**

Applicants falling under the **Retail Individual and Non-Retail Investor Categories** should apply for the Shares through the **WHITE coloured** Application Form printed for this purpose, which constitutes part of this Prospectus (please refer Section 6.1.2 above for methods of obtaining the Prospectus and Application Form).

Exact size copies of the Application Form will also be permissible under the Retail Individual and Non-Retail Investor Categories. The completed Application Forms should be submitted to the Registrars to the Issue in accordance with Section 6.2 of the Prospectus.

Local and Foreign individual Investor/s who apply for a maximum of 10,000 shares value of not more than Rupees Hundred Thousand (LKR 100,000) will be categorized as Retail Individual Investors for share allotment purposes.

All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration Number (as applicable) is stated in the relevant cages of the Application Form.

**CALH Group Employee Category**

Applicants applying under the Group Employee Category must apply for the shares only using the separate **BLUE coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will only be made available through CALH Group companies. Employees applying under this category shall be required to apply under their respective individual names using only the correctly coloured Application Form and should not apply as joint Applicants.



Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (cheque or bank draft or bank guarantee) for the full amount payable on the Application and the company seal/rubber stamp of the respective employer placed thereon should be submitted to Capital Alliance Holdings Limited., Level 2, "Millennium House", 46/58, Nawam Mawatha, Colombo 02, for onward transmission to the Registrars to the Issue in accordance with Section 6.2.

Employees shall NOT submit Applications directly to the Registrars to the Issue. No photocopies of the coloured Application Form would be permissible and will not be permitted to send their application directly via email.

#### **Unit Trust Investor Category**

Applicants applying under the **Unit Trust Investor Category** must apply for the Shares using the separate **YELLOW coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available through the **Managers and Financial Advisors to the Offer**, Capital Alliance Partners Limited, Level 2, Millennium House, 46/58, Nawam Mawatha, Colombo 02.

The completed Application Forms should be submitted to Managers and Financial Advisors to the Offer who will forward the same to the Registrars to the Offer in accordance with Section 6.2.

Only one Application should be made by an Applicant under the **Unit Trust Category**.

Applications submitted under the Unit Trust Investor Category should submit a confirmation by the trustee that such Unit Trust is in conformity with the criteria defined by the SEC Directive dated 06 June 2011 (Ref: SEC/LEG/11/06/01).

#### **Joint Applications**

An Applicant of a Joint Application, applying through another Application Form, is deemed to have made multiple Applications and will be rejected.

An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

Subject to the above, the Company/Managers/Registrars to the Issue reserve the right to reject multiple Applications and suspected multiple Applications which are not allowed or to accept only one Application Form at their discretion.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation or reason.

Please note that Applicant information such as full name, address, NIC number/Passport Number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information shall take precedence over the information provided in the Application Form.

The CDS account number stated on the application you submit should be registered under your name. Kindly contact your stockbroker if you are in doubt about the CDS account number. Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.

Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

All Applicants (both resident and foreign) should indicate their respective NIC number or Company Registration Number or Passport Number as the case may be in the Application Form. Individual resident Applicants should indicate their Passport Number in the Application Form only if they do not have an NIC Number.

As per the Directive of the SEC made under Circular No. 08/2010 dated 22 November 2010 and Circular No. 13/2010 issued by the CDS dated 30 November 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the transfer of existing Shares under this Issue, the transferred Shares will be credited to the Applicant's CDS account so indicated. Please note that SHARE CERTIFICATES SHALL NOT BE ISSUED.

Any Application which does not carry a valid CDS account number or indicates a CDS account number which is not opened at the time of Issue Closing Date or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no transfer will be made.

You can open a CDS account through any Trading Participants of the CSE as set out in Annexure 4 or through any Custodian Bank as set out in Annexure 5 of this Prospectus. You can also open a CDS account through the CSE Mobile App. The CSE mobile application can be downloaded from the Apple App Store (for Apple IOS users) or the Google Play Store (for Google Android users).

**PLEASE NOTE THAT ISSUE OF SHARES WILL ONLY BE MADE IF YOU HAVE A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.**

Applicants have the option of having their shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the shares need to be deposited to his/her 'locked' balance in the CDS account, the said shares would be deposited to Applicant's 'trading' balance in the CDS account.

### Operation of a 'locked' balance in the CDS

In order to preserve the confidentiality of shareholder information and to ensure that securities are not made available for trading for those shareholders who do not want to trade the securities, the CDS provides a mechanism where securities can be 'locked' in the CDS account.

The CDS maintains two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant, and all dealings and trading would be permitted on the said trading balance, as done normally.

As opposed to the trading balance, the locked balance will not be visible to the CDS participant and all dealings on such locked balance would be suspended thereby maintaining the confidentiality of the information and also safeguarding the account holder from any unauthorized sale by a broker.

At the request of an account holder, the CDS would transfer a named quantity of securities from the locked balance to the trading balance of a CDS account and/or from the trading balance to the locked balance.

### 6.3 NUMBER OF SHARES APPLIED

Application should be made for a minimum of One Hundred (100) Shares for a value of Sri Lanka Rupees One Thousand (LKR 1,000) and in multiples of One Hundred (100) Shares thereafter. The maximum number of Shares that can be applied through one Application under the IPO would be limited to One Hundred and Fifty Million Seven Million Five Hundred Thousand (157,500,000) Ordinary Voting Shares, i.e. the total number of Shares issued under the IPO. Any Applications for over and above One Hundred and Fifty Million Seven Million Five Hundred Thousand (157,500,000) Ordinary Voting Shares would be either capped at the maximum number of Shares as aforesaid or rejected at the outset at the discretion of the Board of Directors.

Applications made for less than One Hundred (100) Shares or for a number which is not in multiples of One Hundred (100) Shares will be rejected and the accompanying cheques, bank drafts or bank guarantees will not be sent for clearing but will be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, the first named Applicant. The cheque or bank draft or bank guarantee or RTGS/CEFT/SLIPS transfer or payment via the payment gateway provided through the CDS Web Portal/CSE Mobile App should be issued/carried out to the exact number of New Shares applied for multiplied by the Share Issue Price. Any Application not conforming to the above requirement will be rejected and the Application monies will be returned as aforementioned.

Please refer Section 6.10 for details with respect to the mode of remittance.

### 6.4 IDENTIFICATION INFORMATION

All Applicants should disclose their identification/ registration information by filling in the space provided in the Application Form for this purpose.

Applicants are requested to state their residency and nationality in the appropriate spaces provided in the Application Form.

The NIC, Passport, or Company Registration Number as the case may be, must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected.

Resident Applicants may use the Passport for purposes of identification only if they do not have a NIC Number.

Tabulated below is the relevant identification information that a prospective investor should provide depending on the legal status:

**Table 6 1 Investor Identification Required**

Citizenship/Legal Form	Identification Information			
	NIC Number	Passport Number	Company Registration Number	Common Seal or Rubber Stamp
Sri Lanka Citizens	X			
Sri Lanka Citizens with no NIC Number*		X		
Foreign Citizens**		X		
Corporate Entities***			X	X

\* In the case of Sri Lankan citizens, the Passport number will be accepted only when the NIC number is not available. The CDS Account must be for the same Passport Number.

\*\* Foreign citizens must state the Passport number in the space provided in the Application Form.

\*\*\* In case of a corporate entity, the Company Registration number must be provided. The common seal or rubber stamp should be affixed, and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

A valid CDS Account number must be stated in the Application Form. All foreign Applicants and corporate Applicants should ensure that the Passport Number/Company Registration number is stated in the relevant cages of the Application Form. All information about the Applicant (i.e., name, address, nationality and NIC or Passport Number) will be downloaded from the database of the CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application Form, the information in the CDS shall take precedence.

If the CDS Account number is not indicated in the Application Form, or the number indicated in the Application Form is found to be inaccurate/incorrect, or the account number indicated is not opened at the Issue Closing Date, such Application will be rejected, and no allotments of Shares will be made.

## 6.5 KEY RESPONSIBILITY OF A FOREIGN INVESTOR

Foreign Investors may be affected by the laws of the jurisdiction of their residence. If Foreign Investors wish to apply for the Shares, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

## 6.6 MARGIN TRADING

Applicants who wish to apply through their margin trading account should submit the Applications in the name of the 'margin provider / Applicant's name' signed by the margin provider.

The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form. The Shares shall be uploaded to the CDS account indicated in the Application Form.

The NIC, Passport, or Company Registration Number of the Applicant as the case may be, must be stated in the Application Form.

Resident Applicants may use the Passport for purposes of identification, only if they do not have a NIC Number.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Details regarding multiple Applications are available under Section 6.1.1.

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by Applicants through a margin trading facility.

## 6.7 APPLICATIONS MADE UNDER POWER OF ATTORNEY

In the case of Applications made under POA, a copy of the said POA, **certified by a notary public** to be a true copy of the original, should be submitted to the Registrars to the Issue along with the Application Form. **The original POA should not be attached.**

Please note that the CSE Mobile App and CDS Web Portal do not facilitate an Application by a POA.

## 6.8 JOINT APPLICATIONS

If the ownership of the New Shares is desired in the name of one Applicant, such Applicant should make the Application for an **individual CDS Account**. In the case of Joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.

Joint Application Forms are permitted only for natural persons not exceeding three (3) Applicants. Joint Applicants should note that there should not be a combination of residents of Sri Lanka and non-residents. An Applicant of a Joint Application shall not apply through a separate Application Form either individually or jointly.

Please note that the CSE Mobile App, CDS Web Portal and CDS eConnect do not facilitate an Application by Joint Applicants.

## 6.9 SUBMISSION OF APPLICATIONS

### a) Applicants Applying via CSE Mobile App or CDS Web Portal

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance/proof of remittance as applicable (Payment Gateway or CEFT or SLIPS or RTGS) for the full amount payable on Application Form shall be forwarded online as referred to Section 6.1.1.

### b) Applicants Applying via Physical Delivery

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance / proof of remittance as applicable (cheque or bank draft or bank guarantee or RTGS transfers (only for Application valued above and inclusive of Sri Lanka Rupees One Hundred million (LKR 100,000,000/-), for the full amount payable on Application Form may be forwarded by way of delivery (by hand or post) enclosed in a sealed envelope marked 'Capital Alliance Holdings Limited – IPO' on the top lefthand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

**S S P Corporate Services (Private) Limited**

101, Inner Flower Road,  
Colombo 03

Applications may also be handed over to the Bank and designated branches of the Bank, Managers to the Issue, Bankers to the Issue and its designated branches and, trading participants of the CSE, as set out in Annexure 4 **prior to 4.30 p.m. Local Time on the Issue Closing Date.**

In the case of Applications dispatched by post, such Applications should reach the Registrars to the Issue **not later than 4.30 p.m. Local Time on the Market Day immediately following the Issue Closing Date.**

Any Applications received after the above deadlines shall be rejected even if the courier or post mark is dated prior to the Issue Closing Date.

## 6.10 PAYMENT OF APPLICATION MONIES

### 6.10.1 CHEQUES OR BANK DRAFTS – RESIDENT SRI LANKAN INVESTORS

Cheque or Bank Drafts payments as a mode of payment are only applicable for Applicants applying **via Physical Delivery.**

Cheques or bank drafts should be drawn on any Licensed Commercial Bank in Sri Lanka and crossed **“Account Payee Only”** and made payable to **“Capital Alliance Holdings - IPO”**.

Cheques or bank drafts accompanying Application Forms made for less than Hundred (100) Shares, i.e. for a value less than Sri Lanka Rupees One Thousand (LKR 1,000) in multiples of One Hundred (100) Shares thereafter (as mentioned in Section 6.1.2) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant or, in the case of joint Applicants, to the first named Applicant.

In the event that cheques are not realized within **Two (2) Market Days** from the date of presenting the same to the bank for clearing, the Directors reserve the right to reject the Applications and return the Application cheques. No issue of Shares will be made to such Applicants.

Cheques must be honoured on the first presentation to the bank for the application to be valid. Applications supported by cheques which are not honoured on first presentation will be rejected.

#### **6.10.2 BANK GUARANTEES – RESIDENT SRI LANKA INVESTORS**

Applications made by resident Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 6.2 will be accepted.

Bank guarantees will be presented to the respective banks only after the New Shares have been allotted by the Company.

Bank Guarantees as a mode of payment are only applicable for Applicants applying **via Physical Delivery**.

Bank guarantees should be issued by any Licensed Commercial Bank in Sri Lanka and in favour of **“Capital Alliance Holdings - IPO”** in a manner acceptable to the Company and payable on demand.

Please note that the original bank guarantee should be lodged with the Registrars to the Issue along with the Application Form prior to 4.30 p.m. local time on the Issue Closing Date, in order to claim funds in respect of such Applications made via bank guarantees.

Bank guarantees should be valid for a minimum of one (01) month from the date of opening of the Offer (i.e., 8th May 2025).

Applicants are advised to ensure that sufficient funds/facilities are available in order to honour the bank guarantees, inclusive of charges when called upon to do so by the Registrars to the Issue.

It is advisable that the Applicants discuss with their respective bankers the matters with regard to the issuance of bank guarantees and all charges involved. All expenses with regard to such bank guarantees should be borne by the Applicants.

#### **6.10.3 CEFT/SLIP TRANSFERS – RESIDENT SRI LANKAN INVESTORS**

In case of CEFT/SLIPS transfers (**only for Application made via the CSE Mobile App and CDS Web portal**) such transfers should be made to the credit of **“Capital Alliance Holdings - IPO”**, bearing the account number 100240011559 at Nations Trust Bank PLC, Nawam Mawatha Branch (Bank Code – 7162, Branch Code - 024) on or before the Issue Closing Date (i.e. the funds to be made available to the above account).

Applicants are required to indicate their CDS Account number or NIC number as payment reference for CEFT/SLIPS transfers. Any Applications accompanying fund transfers confirmations without the payment reference as aforementioned will be rejected.

The Applicants should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit of **"Capital Alliance Holdings - IPO"** and the fund transfer confirmation should be submitted with the Application Form.

**IMPORTANT:** When CEFT, SLIPS transfers are made, ensure to enter the CDS Account number or the NIC number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/ Reference/Remark/Comment' field to identify the payments. If such identification details are not provided, Application will be rejected.

#### 6.10.4 RTGS TRANSFERS – RESIDENT SRI LANKAN INVESTORS

In case of RTGS transfers, such transfers should be made to the credit of the following accounts for Applications submitted via;

1. Physical Delivery - Only for Application valued above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be made to the credit of **"Capital Alliance Holdings - IPO"** bearing the account number 100240011559 at Nations Trust Bank PLC, Nawam Mawatha Branch (Bank Code – 7162, Branch Code - 024) on or before the Issue Closing Date (i.e., the funds to be made available to the above account).
2. CSE Mobile App or CDS Web Portal - Only for Application valued above and inclusive of Sri Lanka Rupees Five million (LKR 5,000,000/-) should be made to the credit of **"Capital Alliance Holdings - IPO"** bearing the account number 100240011559 at Nations Trust Bank PLC, Nawam Mawatha Branch (Bank Code – 7162, Branch Code - 024) on or before Issue Closing Date (i.e., the funds to be made available to the above account).

The Applicants should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of New Shares applied for to the credit of **"Capital Alliance Holdings - IPO"** for Application submitted via physical delivery or CSE Mobile App or CDS Web Portal. The fund transfer confirmation should be submitted with the Application Form.

**IMPORTANT -** When RTGS transfers are made, ensure to enter the CDS Account number or the NIC number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/ Reference/Remark/Comment' field to identify the payments. If such identification details are not provided, the Application will get rejected.

#### 6.10.5 PAYMENT OPTIONS FOR CSE MOBILE APP OR CDS WEB PORTAL APPLICANTS

To make your application process smoother and convenient, CDS introduced 2 direct payment methods connected to the CSE Mobile app & CDS Web portal.

##### 1. Payments through Helakurusuper App

CSE Mobile App and CDS Web Portal are now integrated with the HelaPay Payment App.

Only the LOCAL INDIVIDUAL applicants, with applied share values less or equal to LKR 49,900 will be able to use the HelaPay app after completing the applications on the said eIPO platform. If the applicant has already made a payment to the IPO account prior to starting the application process, such applicants should not select the 'HelaPay' option.



Customer charges of LKR 100.00 charged by 'HelaPay' will apply for such payment and to be borne by the applicants.

Please note that the applicants who wish to use the integrated HelaPay Payment App platform through the CSE Mobile App or CDS Web portal should have the 'Helakuru' Mobile App installed in their mobile devices.

Alternatively, Individual applicants who wish to use the payment modes of SLIPS, CEFTS, RTGS transfers must ensure to initiate such transfers prior to making the application using the CSE Mobile App, in order to attach the proof of payment which is a mandatory requirement in submitting their applications via CSE Mobile App.

## **2. Direct CDS payments through your own bank's mobile app or internet banking platform.**

This is applicable only for the list of banks given below, through which Direct CDS payment is enabled up to Rs.10,000,000/- per transaction. You must complete the IPO application and submit the same. After successful submission of the application, you will receive an application reference number. You can visit your banking app/ internet banking platform and login to your account and select the IPO payments option from CDS Payment category and complete the payment by entering the received application reference number. Once we receive an automated message from your banker, that the payment was successful, you will receive an email confirming the successful submission of the IPO application.

### **List of Banks with Direct CDS Payments Enabled**

1. Sampath Bank PLC
2. Commercial Bank PLC
3. Peoples Bank
4. Cargills Bank PLC

Alternatively, Individual applicants who wish to use the payment modes of SLIPS, CEFTS, RTGS transfers must ensure to initiate such transfers prior to making the application using the CSE Mobile App, CDS Web Portal or CDS eConnect, in order to attach the proof of payment which is a mandatory requirement in submitting their applications via online platforms.

### **6.10.6 AMOUNT PAYABLE AND OTHER PAYMENT CONDITIONS**

The amount payable should be calculated by multiplying the number of New Shares applied for under a particular category by the Share Issue Price of Sri Lanka Rupees Ten (LKR 10.00). If there is a discrepancy in the amount payable and the amount specified in the cheque/bank draft or bank guarantee or amount deposited to IPO account via RTGS/CEFT/SLIPS transfer such Applications will be rejected.

CEFT/SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (5,000,000/-) imposed by the CBSL.

Payments for Applications via the payment gateway available on CSE Mobile App and CDS Web Portal is subject to a maximum value limit of Sri Lanka Rupees Fifty Thousand (LKR 50,000). i.e. Maximum Application value of LKR 49,900 and convenience fee of LKR 100.

Payments for Applications via Direct CDS payments through your own bank's mobile app or internet banking platform subject to a maximum value limit of Sri Lanka Rupees Ten Million (LKR 10,000,000).

In the case of cheques, bank drafts, RTGS/CEFT/SLIPS transfer and bank guarantees, Application Forms should be accompanied by only one cheque or bank draft or RTGS/CEFT/SLIPS transfer (single transfer) or bank guarantee and should be issued for the full amount indicated in the Application Form. Any Application for New Shares, accompanied by two or more cheques or bank drafts or RTGS/CEFT/SLIPS transfers or bank guarantees will be rejected at the outset.

Payments for Applications for values above and inclusive of Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) will be permitted to submit multiple Bank guarantees issued by Licensed Commercial Banks in Sri Lanka, multiple bank drafts/cheques drawn upon any Licensed Commercial Bank operating in Sri Lanka, or a single RTGS transfer directed through any Licensed Commercial Bank operating in Sri Lanka, each of which should be for values on or before Issue Closing Date.

**Cash will not be accepted.** Anyone wishing to pay cash should obtain a bank draft from a Licensed Commercial Bank in Sri Lanka.

#### 6.10.7 FOREIGN CURRENCY REMITTANCES

This section is applicable to:

- Citizens of Sri Lanka who are above 18 years of age and Resident overseas.
- Corporate bodies incorporated or established outside Sri Lanka.
- Regional or country funds approved by the SEC.
- Foreign citizens (irrespective of whether they are Resident in Sri Lanka or overseas) who are above 18 years of age.

A foreign investor may invest through an IIA (previously known as a Securities Investment Account/SIA) maintained with any Licensed Commercial Bank in Sri Lanka. The procedure for arranging payments through an IIA are presented below:

- A Foreign Investor may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market.
- The intermediary may open an IIA, on the investor's behalf.
- In conjunction with the IIA, an account with the CDS must be opened in case the investor does not already possess a valid CDS Account.
- In respect of regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC.

- **Applicants Applying via CSE Mobile App, CDS Web Portal or CDS eConnect**

- Payment for New Shares should be made through a RTGS/CEFT/SLIPS transfer against the funds arranged through the IIA and made payable to **“Capital Alliance Holdings - IPO”** bearing the account number 100240011559 at Nations Trust Bank PLC, Nawam Mawatha Branch (Bank Code – 7162, Branch Code - 024) prior to 4.30 p.m. local time on or before the Issue Closing Date. Kindly note that the foreign individual Applicants are **NOT** eligible to use the payment gateway option. Therefore, they must ensure to initiate the transfers prior to making the Application using an accepted mode of payment.

**IMPORTANT - When CEFT, RTGS or SLIPS transfers are made, please ensure to enter the CDS Account number of the Applicant in the ‘Beneficiary Narration/Beneficiary Remark/ Reference/Remark/Comment’ field to identify the payments. If such identification details are not provided, the Application will be rejected.**

- **Applicants Applying via Physical Delivery**

- Payment for New Shares should be made through a cheque or bank draft, or bank guarantee issued by a Licensed Commercial Bank in Sri Lanka or a RTGS transfer only for Application valued above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) against the funds arranged through the IIA and made payable to **“Capital Alliance Holdings– IPO”** bearing the account number 100240011559 at Nations Trust Bank PLC, Nawam Mawatha Branch (Bank Code – 7162, Branch Code - 024) prior to 4.30 p.m. local time on or before the Issue Closing Date.

Cheques or bank drafts or bank guarantees or RTGS transfers only for Application valued above and inclusive of Sri Lanka Rupees One Hundred Million (LKR 100,000,000/-) should be endorsed by the issuing custodian bank to the effect that arrangements have been made to facilitate such payment to be made against funds available in the individual’s IIA. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.

Any refund payments to Foreign Investors are made in terms of Section 6.7 of this Prospectus.

Applications supported by foreign currency remittances should be made in conformity with requisite declarations accompanied by the documentation stipulated by the Head of the Department of Foreign Exchange of the CBSL.

#### **6.10.8 RESTRICTIONS APPLICABLE TO FOREIGN CITIZENS RESIDENT IN SRI LANKA**

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee Accounts, only if they possess dual citizenship where one such citizenship is Sri Lankan. **Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form. In case of an online Application, the certified copy of the citizenship certificate should be uploaded under the relevant field.**

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts, or bank guarantees or RTGS/CEFT/SLIPS transfers drawn upon Sri Lanka Rupee accounts maintained with any Licensed Commercial Bank in Sri Lanka or payment gateway in the CDS Web Portal but may do so via an IIA account as detailed in Section 6.2.7 above. **Applications made by foreign citizens not in accordance with the foregoing shall be rejected.**

## 6.11 REJECTION OF APPLICATIONS

- i. Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in this Prospectus will be rejected at the absolute discretion of the Company.
- ii. Any Application Form which does not provide the NIC, Passport (where NIC is not available) or Company Registration number as the case may be, will be rejected.
- iii. Any Application Forms accompanying fund transfers confirmations without the requisite payment references will be rejected.
- iv. Applications delivered by hand or by courier after 4.30 p.m. Local Time on the Issue Closing Date will be rejected. Applications received by post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Issue Closing Date will also be rejected even if they carry a postmark date earlier than the Issue Closing Date.
- v. Applications made for less than One Thousand (1,000) New Shares or for a number which is not in multiples of One Hundred (100) New Shares will be rejected.
- vi. An Application which does not carry a CDS Account number or indicates a number of a CDS Account which is not opened at the time of Issue Closing Date or which indicates an inaccurate/incorrect CDS Account number shall be rejected and no allotment of New Shares will be made.
- vii. Application Forms stating third party CDS Accounts instead of their own CDS Account numbers, except in the case of Margin Trading accounts, will be rejected.
- viii. Applicants should apply only through one investor category and would be permitted to submit only one Application Form. Two or more Applications submitted by the same Applicant either under the same category or under different categories will be construed as multiple Applications and will be rejected.
- ix. The Company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 6.2.1.
- x. Payment for Applications of New Shares accompanying two or more cheques and bank drafts or multiple direct deposits or bank guarantees or RTGS/CEFT/SLIPS transfers as mentioned in Section 6.3.6 will be rejected at the outset in the event the value of such Application is below Sri Lanka Rupee One Hundred Million (LKR 100,000,000/-)
- xi. Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.
- xii. Physical applications accompanying payments made via RTGS in the event the value of such Application is below Sri Lankan Rupees One Hundred million (LKR 100,000,000/-) or by way of CEFT or SLIPS will be rejected.

- xiii. Applications signed on behalf of the Applicant by an attorney under a POA that is not valid or in conformity with the applicable law will be rejected.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, without any explanation and reason.

#### **6.12 BANKING OF PAYMENTS**

All cheques and bank drafts received in respect of Applications will not be banked until the Market Day following the Issue Closing Date in terms of the CSE Listing Rules.

#### **6.13 REFUNDING/RETURNING OF FUNDS ON PARTIALLY ACCEPTED/REJECTED APPLICATIONS**

Where an application is accepted only in part or rejected in its entirety, the balance/entirety of the monies received on an application, as the case may be, will be refunded. Such refunds will be made on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules. As required by Rule 2.4(l) of the CSE Listing Rules, Applicants would be entitled to receive interest at the rate of last quoted AWPLR published during the immediately preceding week by the CBSL or any other authority (in the event the CBSL ceases to publish the AWPLR) plus five per centum (5%) for the delayed period on any refunds not made by the expiry of the aforementioned period.

It is the responsibility of Foreign Investors to ensure that their IIA details are accurately provided under 'Refund Payment Instructions' on the Application Form to forward the refund to the IIA through which the Application was made.

With regard to applications which have been fully rejected due to any of the reasons specified in this Section 6, neither the Company nor the Registrars to the Issue nor CDS shall be liable for any delay on the refund of monies to the Applicant if the Applicant has paid the Application monies through a direct deposit or a RTGS/CEFT/SLIPS and has not indicated his NIC number or the CDS Account number as the payment reference.

##### **Refund via Sri Lanka Inter-bank Payment Systems (SLIPS)**

The refund payment will be made to the bank account specified by the Applicant through the SLIPS on or before the expiry of Eight (8) Market Days from the Issue Closing Date (excluding the Issue Closing Date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of Applicant's bank account in the Application Form. However, SLIPS transfers are subject to a maximum limit of Sri Lanka Rupees Five Million (LKR 5,000,000/-) imposed by the CBSL with effect from October 29, 2010, as per Operating Instruction Circular No. 11/2010 dated October 25, 2010.

In the event of refunds over Rupees Five Million (LKR 5,000,000/-), if the Applicant has provided accurate and complete details of his bank account in the Application, refunds will be made via RTGS.

In the event the refund payment is affected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such

refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the bank together with the Registrars to the Issue or CDS will send the refund cheques to such Applicants at the earliest possible time and the Applicant should not hold the Company or the bank or the Registrars to the Issue or CDS Accountable for such delays.

### **Refunds Via Crossed Cheque**

If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a Joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first on the Application Form.

## **6.14 SUCCESSFUL APPLICANTS AND CDS LODGMENT**

The New Shares allotted will be directly uploaded to the respective CDS Accounts given in the Application Forms before the expiry of Twelve (12) Market Days from the Issue Closing Date as per the CSE Listing Rules.

Upon completion of crediting the respective CDS Accounts, a written confirmation will be sent to the shareholders within Two (2) Market Days of crediting the CDS Accounts by ordinary post to the address provided by each Applicant in their respective Applications.

Applicants have the option of having their Shares 'locked' in the CDS. Shares that are 'locked' will not be available for trading purposes and will not be visible to the participants. Such Applicants would have to fill in the relevant section in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS Account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS Account.

### **Refer Section 7.6 for the definition of 'locked'.**

New Shares shall not be transferable by the shareholders during the period between the date of allotment of the New Shares and up to the date of listing (excluding the date of listing) of Shares of the Company on the CSE. Further, the Company shall not allot any Shares (other than the allotment of New Shares stemming from this IPO) or register a transfer of existing Shares during the interim period between the date of the Initial Listing Application and the date of listing of the Shares of the Company.

Upon the Shares of the Company being listed on the CSE, such Shares shall be freely transferable except for those Shares mentioned in Section 7.6 of this Prospectus, which will be locked-in to be compliant with CSE Listing Rules.

## **6.15 DECLARATION TO THE CSE AND SECONDARY MARKET TRADING**

The Company will submit to the CSE a declaration on the Market Day ("Declaration") immediately following the date on which the Applicants' CDS Accounts are credited with the New Shares. Trading of the Shares on the secondary market will commence on or before the Third (3rd) Market Day from the receipt of the a

## 7. THE COMPANY

### 7.1 OVERVIEW OF THE COMPANY

Capital Alliance Holdings Limited (CALH) serves as the parent and holding company of the Capital Alliance group, overseeing operations in primary dealer services, unit trust and private wealth management, stock brokerage, and corporate finance and investment banking. CALH holds controlling interests in international subsidiaries, including CAL Investment Consultancy FZ LLC (CALIC) based in the UAE, which manages CAL's operations in Sri Lanka and Bangladesh. The principal activities of the company are engaging in investment activities and management of subsidiaries.

Capital Alliance Holdings Limited (CALH) was established in 2003 as the holding company of the group. Its subsidiary, Capital Alliance Limited, was incorporated in October 2000 and, following its listing in 2021, changed its status to a publicly listed company, now referred to as Capital Alliance PLC (CALT). Over the past two decades, CALH has grown steadily, leveraging its industry-specific expertise to deliver exceptional investment solutions. Today, it stands as a distinguished and widely recognized investment bank in Sri Lanka, with a strong presence in frontier markets.

CALH's offerings include a broad range of integrated financial solutions across various sectors, including originating, trading, and investing in both debt and equity securities. CALH's strength lies in its deep understanding of the clients and markets it serves, combined with the use of innovative technology to build efficient capital markets.

Over the past 24 years, CALH has successfully nurtured a diverse clientele base comprising family businesses, corporates, and institutions. This growth is underpinned by CALH's unwavering dedication to building long-term relationships and delivering best-in-class services. The company's success is further reinforced by its core values of integrity, fairness, dynamism, and teamwork. CALH's mission is best expressed in its commitment: "We will not sell to you what we would not sell to our own family."

CALH leverages the collective strengths of its divisions, which include a Licensed Primary Dealer, Stockbroker, Asset Manager, and Corporate Finance and Advisory services. The Group operates through several subsidiaries, with an emphasis on offering integrated and customized financial solutions.

Capital Alliance PLC (formerly Capital Alliance Limited, a Primary Dealer) was listed on the Colombo Stock Exchange (CSE) on December 15, 2021. CALH has expanded its presence beyond Sri Lanka, establishing CAL Securities Limited, CAL Investments Limited, and CAL Bangladesh Limited in Bangladesh, and CAL Investment Consultancy FZ-LLC in the UAE. These initiatives reflect CALH's strategy to broaden its impact and capitalize on growth opportunities in other emerging markets.

## MILESTONES

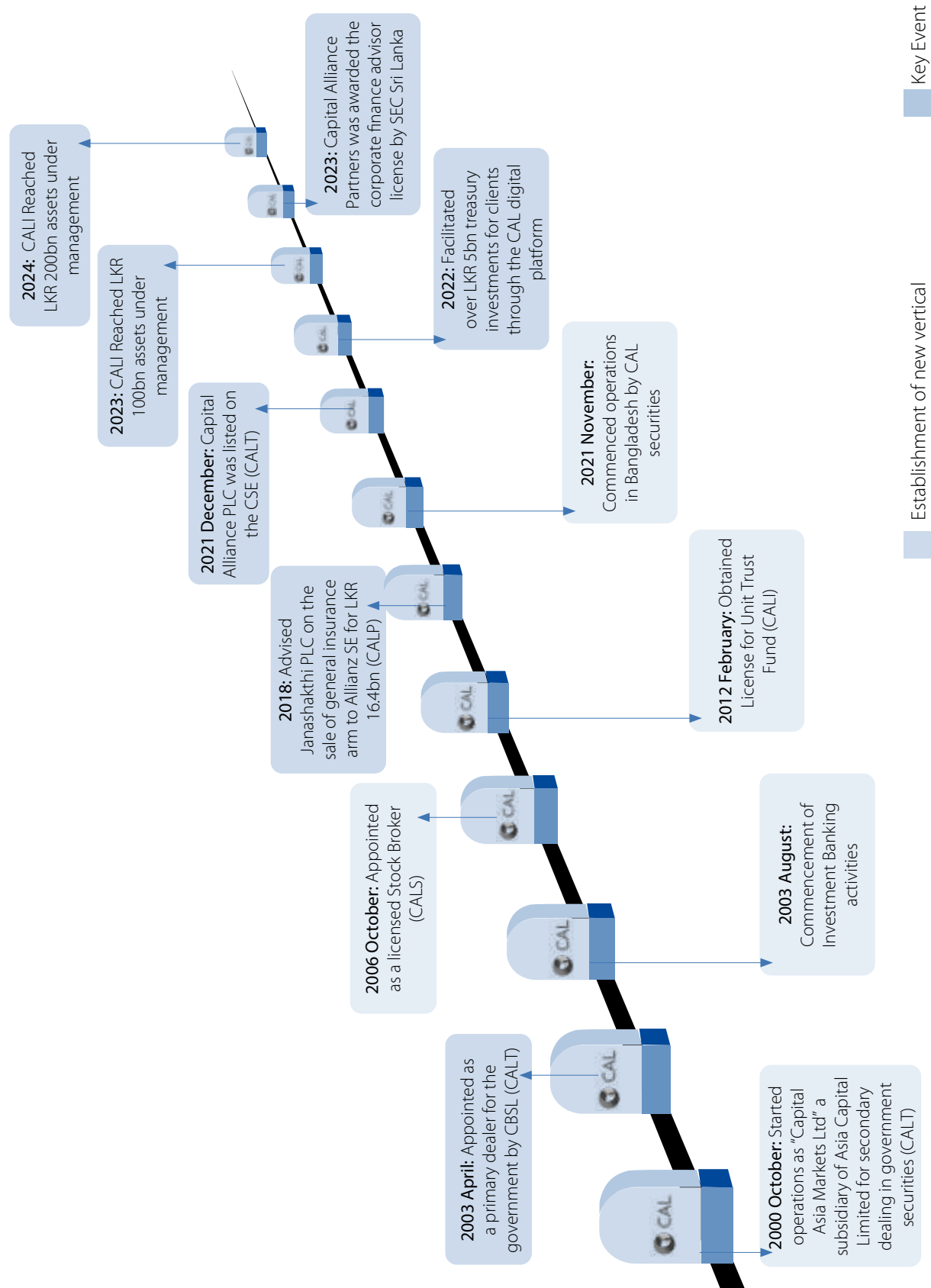


Figure 7.1 CALH Timeline of Key Events



## Services Offered by CALH

- i. **Capital Alliance PLC (CALT):**
  - o **Primary Dealing in Government Securities:** As a licensed primary dealer appointed by the Central Bank of Sri Lanka, CALT engages in the trading of government securities, including Treasury bills and bonds.
- ii. **Capital Alliance Securities (Pvt) Ltd (CALS):**
  - o **Stockbroking Services:** Provides equity trading services complemented by comprehensive market research and analysis, offering clients real-time insights into capital markets.
- iii. **Capital Alliance Investments Limited (CALI):**
  - o **Asset Management:** Offers fund management and private wealth management services, catering to both individual and corporate investors. Currently manages an AUM exceeding 200 billion LKR.
- iv. **Capital Alliance Partners Limited (CALP):**
  - o **Corporate Finance and Advisory Services:** Provides advisory services for mergers and acquisitions, initial public offerings, rights issues, debt and equity financing, valuations, and both sell-side and buy-side advisory.
- v. **CAL Bangladesh Ltd / CAL Investments Ltd / CAL Securities Ltd**
  - o **Investment Banking Services:** Extends CAL's investment banking services to the Bangladeshi market, including corporate finance, advisory, stock brokering and asset management services.

Each subsidiary operates in alignment with CAL's mission to deliver exceptional investment solutions, leveraging deep market understanding and innovative technology to serve a diverse clientele.

### 7.1.1 GROUP STRUCTURE

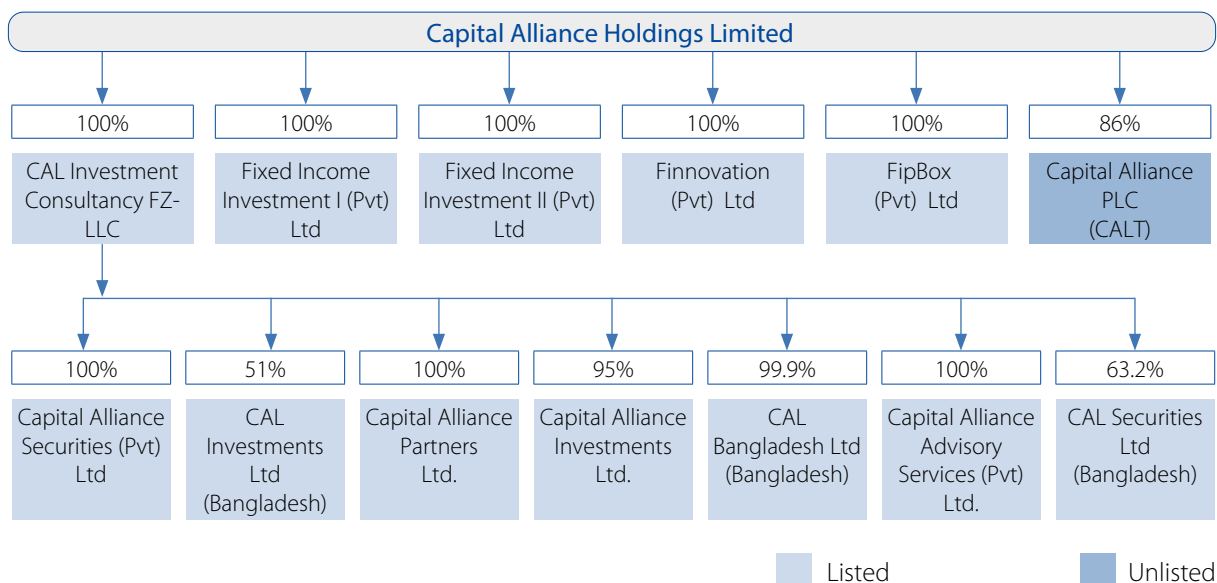


Figure 7.2 CALH Group Structure

*Note: Amalgamation of Fixed Income Investment Entities: Fixed Income Investment III (Pvt) Ltd, Fixed Income Investment IV (Pvt) Ltd, Fixed Income Investment V (Pvt) Ltd, Fixed Income Investment VI (Pvt) Ltd, Fixed Income Investment VII (Pvt) Ltd, Fixed Income Investment and VIII (Pvt) Ltd have each amalgamated into Fixed Income Investment II (Pvt) Ltd, with effect from the 14th of January 2025. This initiative aims to enhance efficiency and shareholder value.*

*Furthermore, on 6th February 2025, Capital Alliance Holdings Limited (CALH) completed the share transfer of its 40% equity stake in Capital Alliance Securities (Pvt) Limited (CALS) to CAL Investment Consultancy FZ LLC (CALIC).*

**Table 7.1 CALH Subsidiaries and the Principal Activities**

Name of the Subsidiary/Joint Venture	Principal Activities
Capital Alliance PLC (CALT)	The Principal Activities of the Company are dealing in Government Securities and corporate debt securities.
Capital Alliance Partners Limited (CALP)	The Principal Activities of the Company are dealing in Corporate Finance and fee-based activities.
Capital Alliance Securities (Pvt) Limited (CALS)	The Principal Activity of the Company is Stock Brokering.
Capital Alliance Investments Limited (CALI)	The Principal Activities of the Company are managing Unit Trust Funds and Private Wealth Management.
Finnovation (Pvt) Limited	The Principal Activity of the Company is providing IT services to Related Companies.
FipBox (Pvt) Limited	The Principal Activity of FipBox (Pvt) Ltd is investment holding. The company invests fee-based income it has earned from providing IT Platform / Digitalization services to CAL Group companies (CALH,CALT,CALI) in Unit Trusts.
CAL Investment Consultancy FZ LLC (CALIC)	The Principal Activities of the Company are investment holding and investment consultancy. Incorporated in the UAE.
CAL Bangladesh Limited (Bangladesh)	The Principal Activity of the Company is providing of consultancy services.
CAL Securities Limited (Bangladesh)	The Principal Activity of the Company is Stock Brokering.
CAL Investments Limited (Bangladesh)	The Principal Activity of the Company is full-fledged merchant bank activities.
Capital Alliance Advisory Services (Pvt) Ltd	The Principal Activities of the Company are advisory and consultancy services, incorporated in the Colombo Port City
Fixed Income Investments I (Pvt) Ltd	Investment Holding/Structuring Company, Fixed Income Investments I (Pvt) Ltd invests the fee-based income the company has received by providing securitization arrangements to the Unit Trusts of CALI, the income is invested in commercial paper & unit trusts.
Fixed Income Investments II (Pvt) Ltd	Structuring Company holding securitization arrangements for CALI's unit trusts.

## 7.1.2 KEY STRENGTHS OF CALH

### A. Interest Rate Forecasting

Interest rate forecasting is a key aspect of the CALH business model across all segments. Management's experience in interest rate forecasting helps indicate the ideal times for market entry and exit, improving performance in both debt and equity markets.

CALH has its own in-house proprietary trading models which have been instrumental in forecasting interest rates in the past, contributing to its strong ROE. Given the highly dynamic nature of the industry, CALH continuously conducts research to keep up with emerging trends and refine its forecasting capabilities. The use of Big Data-driven systems helps analyse historical data and predict current market trends, allowing CALH to enhance performance across all core segments, including debt, equity, and structured finance, ultimately adding significant value to its clients.

### B. Diverse and Dedicated Team & Focus Towards Human Resource Development

CALH is composed of a highly diverse team with deep expertise across multiple financial sectors, contributing significant value to each of the company's strategic segments. The company is governed by an Executive Committee (EXCO) of seasoned industry professionals with an average tenure of 11 years and a robust board, providing strategic oversight and leadership across all operational domains.

By maintaining a balance between young, dynamic members and experienced veterans, CALH ensures the effective blending of technical expertise and current market knowledge across all business lines, from bond trading to asset management. CAL Group places great emphasis on work ethic and performance across all its companies. CALH motivates its employees to excel, using an appraisal index to determine training requirements for employee success. Given the dynamic industry, CALH prioritizes training, including sales training, anti-money laundering, bonds and securities, budget management, and specialized areas like structured finance and money markets. This commitment to human capital development ensures the company is well-equipped to handle challenges across all segments.

### C. Diversified Risk Management for Consistent Profitability

CALH's risk management framework ensures disciplined decision-making across all business segments, focusing on diversification to reduce sector-specific risks. By managing risk across debt, equity, and structured finance, CALH maintains a balanced risk-return profile, minimizes market volatility, and achieves stable profitability. Independent oversight and governance further strengthen this framework, ensuring accountability and adherence to best practices.

### D. In-House Software Systems

CALH possesses sophisticated digital capabilities in-house, which facilitated the development of the CAL Portal. The CAL Portal serves as a comprehensive platform that seamlessly integrates all business segments, including equity, fixed income, and asset management, thereby delivering an exceptional client experience. This digital infrastructure not only enhances the customer journey but also provides real-time insights and data integration across different business lines, ensuring a holistic view for both clients and management. The advanced capabilities of the CAL Portal

allow clients to access a full suite of financial products and services with minimal friction, streamlining processes from onboarding to portfolio management. This digitalization significantly enhances operational efficiency by automating routine tasks, reducing manual errors, and providing data-driven insights for better decision-making. Furthermore, it enables CALH to scale its business operations more effectively and strategically, supporting rapid growth without compromising service quality or performance.

#### E. Part of an Established and Multifaceted Financial Services Group (CAL Group)

As part of the multifaceted CAL Group, CALH benefits from synergies across a wide range of financial services, from primary dealing and stockbroking to asset management and corporate advisory. This integrated approach allows for knowledge transfer and leveraging of skills across all verticals. As a result, clients benefit from comprehensive, seamless financial services, with CALH's expertise spanning debt, equity, structured finance, and advisory segments.

#### 7.1.3 AWARDS



Capital Alliance Holdings Limited (CALH) has been recognized for its outstanding performance and commitment to fostering a supportive and high-achieving work environment. In 2022, CALH was named the Sector Winner in Investment Banking by LMD's Most Respected Entities in Sri Lanka. This award reflects CALH's dedication to delivering high-quality services and upholding strong professional standards within the investment banking industry.

Additionally, CALH has been certified as a Great Place to Work for the period from March 2024 to March 2025, emphasizing its dedication to employee satisfaction and a positive organizational culture. This recognition underscores CALH's continuous efforts to foster a work environment that values integrity, teamwork, and employee well-being.

#### 7.1.4 VISION STATEMENT

CALH's Vision Statement is the same as the CAL Group's which is:

"To become the Preferred Investment Banking Partner in Frontier Markets."

#### 7.1.5 MISSION STATEMENT

To drive economic growth in Frontier Markets by using capital markets to create a financial ecosystem that is a more transparent and efficient alternative to the traditional banking system.

#### 7.1.6 VALUES

CALH follows the 4 fundamental values that are part of the CAL Group:

- **Integrity** - We only sell to our clients what we would sell to our family.
- **Fairness** - We hire for attitude and reward performance.
- **Dynamism** - We are always only two years away from irrelevance.
- **Teamwork** - We are a star team, not a team of stars.

### 7.2 DEGREE OF DEPENDENCY ON KEY CUSTOMERS AND SUPPLIERS

#### 7.2.1 DEGREE OF DEPENDENCY ON KEY CUSTOMERS

CALH relies on a core group of institutional clients and family businesses for a significant portion of its clients and revenue. Maintaining strong relationships with these key customers is crucial for sustaining business growth and achieving financial targets.

*Table 7.2 Customer segmental revenue breakdown*

	CALS	CALT	CALI-UT	CALI- PWM	Total
Individuals	92%	86%	94%	50%	93%
Corporates	5%	10%	4%	25%	4%
Joint Accounts	3%	4%	2%	25%	3%
Total	100%	100%	100%	100%	100%

*Source: CALH Management Information*

#### 7.2.2 DEGREE OF DEPENDENCY ON KEY SUPPLIERS

Considering the nature of the business carried-out by CALH, there is low dependency on suppliers for the Company's operations. However, it should be noted that CALH obtains funding from finance providers (Banks, other Primary Dealers etc.) through loan facilities and Repurchase Agreements (repos), commission payments made to money market brokers for facilitating trading of financial instruments and dependence on other corporates when looking at investment opportunities in them to provide customers with returns.

### 7.3 STATED CAPITAL

The Stated Capital of the Company comprised of 1,914,549,345 Ordinary Voting Shares representing a value of LKR 2,532,798,096 as at 31st December 2024. On 23rd of December 2024, the Board of Directors resolved to carry out a sub-division of shares in the ratio of 15:1 resulting in the total number of Ordinary Voting Shares in the Company increasing from 127,636,623 Ordinary Voting Shares to 1,914,549,345 Ordinary Voting Shares. This sub-division of shares does not change the value of the Stated Capital of the Company nor the percentage ownership of the existing Shareholders. The post sub-division cost per share, calculated as Stated Capital divided by the Number of Shares, is approximately LKR 1.32 per share – this computation only considers the Stated Capital component of Equity and excludes Reserves such as Retained Earnings.

In the event of liquidation of the Company, the Ordinary Shareholders shall have the right to an equal Share in any surplus assets of the Company available for distribution after paying all the creditors of the Company and all other claims and Debts in accordance with the provisions contained in the Companies Act No 7 of 2007 on liquidation.

*Table 7.3 Stated Capital*

Period	No. of Shares	Stated Capital
FY2023	98,258,063	23,231,471
FY2024	127,636,623	2,532,798,096
FY2025 (31st Dec 2025) – Pre share subdivision	127,636,623	2,532,798,096
FY2025 (31st Dec 2025) – Post share subdivision	1,914,549,345	2,532,798,096

**7.3.1 LATEST SHAREHOLDER LIST AS AT 7TH JANUARY 2025***Table 7 4 Latest Shareholder List (post 1:15 share sub-division)*

Name of Shareholder	No. of Shares	% Ownership
M/S. ASHTHI HOLDINGS (PRIVATE) LIMITED	557,044,530	29.10%
M/S. JETWING TRAVELS (PRIVATE) LIMITED	547,846,320	28.61%
MR. WIDANALAGE AJITH TERENCE FERNANDO	400,855,830	20.94%
MS. NAWALAGE THERESE MANOURI SHIROMAL COORAY	175,310,640	9.16%
MR. KANISHKE PIYANGA MANNAKKARA	57,236,370	2.99%
MR. ANDREW DESHAN PUSHPARAJAH	53,980,410	2.82%
MS. HABARAGAMURALALAGE MARY SHARMALI PERERA	32,596,560	1.70%
MR. THARINDRA KULASINGHE	22,985,025	1.20%
MR. AKILA MILANKA INDURUWAGE	16,834,230	0.88%
MR. UDEESHAN RAJITH JONAS	13,467,375	0.70%
YEHUDA INVESTMENT HOLDINGS LIMITED	7,500,000	0.39%
MR. SAMPATHAWADUGE DILAN KEVIN FERNANDO	5,507,565	0.29%
MR. ANTON DAMIEN RAYEN	5,050,290	0.26%
MR. HETTIHEWAGE GAYAN RANDESH DE SILVA	5,050,260	0.26%
MR. ASHVANTH VIJAYARAM	5,050,260	0.26%
MR. LOKUGAN HEWAGE SANURA LEVANJITH SILVA	5,050,260	0.26%
MS. PAVINI RANILA WIJESUNDARA	1,500,000	0.08%
MR. N R GOONASEKERA	1,125,000	0.06%
MR. U L B ARIYARATNA	558,420	0.03%
TOTAL	1,914,549,345	100.00%

*Table 7 5 Ashthi Holdings (Private) Limited Shareholding*

Full Name	No of shares
MS. THIRANYA HARSHINI FERNANDO	2,500
MS. CHANDRAMANI PADMASEELI FERNANDO	1
MR. WIDANALAGE AJITH TERENCE FERNANDO	5,001
MS. ASHWINI DHANISHA FERNANDO	2,500
TOTAL	10,002

### 7.3.2 NEW SHARES ISSUED

The table below represents the shares issued during the period of two (2) years immediately preceding the date of this Prospectus.

*Table 7 6 Shares Issued within the last 2 years (Pre-Sub division of shares)*

Name	Number of Shares (Pre-sub division)	Per Share Price (Pre-sub division)	Issuance Date
MS. A A UDESHI	897,825	46.30	26.03.2023
MR. V V BALACHANDRAN	2,002,710	46.30	30.03.2023
MR. A D PUSHPARAJAH	1,034,945	39.70	28.06.2023
MS. N PUSHPAKUMARA	448,912	46.30	06.07.2023
MS. N PUSHPAKUMARA	112,229	53.00	06.07.2023
MS. ROCHELLE MORTIER	897,825	46.30	25.07.2023
MR. D C P MUNASINGHE	897,825	46.30	10.10.2023
MR. W A T FERNANDO	3,815,758	46.30	15.11.2023
MS. H M S PERERA	675,660	46.30	15.11.2023
MS. H M S PERERA	558,849	53.00	15.11.2023
MR. A D PUSHPARAJAH	2,321,871	39.70	15.11.2023
MR. A D PUSHPARAJAH	448,903	46.30	15.11.2023
MR. MILANKA INDURUWAGE	785,597	46.30	15.11.2023
MR. MILANKA INDURUWAGE	336,685	53.00	15.11.2023
MR. GAYAN DE SILVA	224,914	46.30	15.11.2023
MR. GAYAN DE SILVA	111,770	53.00	15.11.2023
MR. UDEESHAN JONAS	897,825	46.30	15.11.2023
MR. ASHVANTH VIJAYARAM	336,684	46.30	15.11.2023
MR. SANURA SILVA	336,684	46.30	15.11.2023
MR. DAMIEN RAYEN	224,458	46.30	15.11.2023
MR. DAMIEN RAYEN	112,228	53.00	15.11.2023
MS. RANILA WIJESUNDARA	448,913	53.00	15.11.2023
MR. THARINDRA KULASINGHE	2,132,335	46.30	15.11.2023
MR. DILAN FERNANDO	673,369	46.30	15.11.2023
MR. HARSHA SRITHARAN	112,228	53.00	15.11.2023
MR. KANISHKE MANNAKKARA	3,815,758	46.30	15.11.2023
MT. ZIMRY MOHAMED	224,456	46.30	15.11.2023
MT. ZIMRY MOHAMED	112,229	53.00	15.11.2023
MR. W A T FERNANDO	7,279,650	178.00	27.11.2023
TOTAL	32,279,095		



*Table 7.7 Shares Issued within the last 2 years (post-sub division of shares)*

Name	Number of Shares (Post-sub division)	Per Share Price (Post-sub division)	Issuance Date
MS. A A UDESHI	13,467,375	3.09	26.03.2023
MR. V V BALACHANDRAN	30,040,650	3.09	30.03.2023
MR. A D PUSHPARAJAH	15,524,175	2.65	28.06.2023
MS. N PUSHPAKUMARA	6,733,680	3.09	06.07.2023
MS. N PUSHPAKUMARA	1,683,435	3.53	06.07.2023
MS. ROCHELLE MORTIER	13,467,375	3.09	25.07.2023
MR. D C P MUNASINGHE	13,467,375	3.09	10.10.2023
MR. W A T FERNANDO	57,236,370	3.09	15.11.2023
MS. H M S PERERA	10,134,900	3.09	15.11.2023
MS. H M S PERERA	8,382,735	3.53	15.11.2023
MR. A D PUSHPARAJAH	34,828,065	2.65	15.11.2023
MR. A D PUSHPARAJAH	6,733,545	3.09	15.11.2023
MR. MILANKA INDURUWAGE	11,783,955	3.09	15.11.2023
MR. MILANKA INDURUWAGE	5,050,275	3.53	15.11.2023
MR. GAYAN DE SILVA	3,373,710	3.09	15.11.2023
MR. GAYAN DE SILVA	1,676,550	3.53	15.11.2023
MR. UDEESHAN JONAS	13,467,375	3.09	15.11.2023
MR. ASHVANTH VIJAYARAM	5,050,260	3.09	15.11.2023
MR. SANURA SILVA	5,050,260	3.09	15.11.2023
MR. DAMIEN RAYEN	3,366,870	3.09	15.11.2023
MR. DAMIEN RAYEN	1,683,420	3.53	15.11.2023
MS. RANILA WIJESUNDARA	6,733,695	3.53	15.11.2023
MR. THARINDRA KULASINGHE	31,985,025	3.09	15.11.2023
MR. DILAN FERNANDO	10,100,535	3.09	15.11.2023
MR. HARSHA SRITHARAN	1,683,420	3.53	15.11.2023
MR. KANISHKE MANNAKKARA	57,236,370	3.09	15.11.2023
MT. ZIMRY MOHAMED	3,366,840	3.09	15.11.2023
MT. ZIMRY MOHAMED	1,683,435	3.53	15.11.2023
MR. W A T FERNANDO	109,194,750	11.87	27.11.2023
TOTAL	484,186,425		

**7.3.3 DETAILS OF TRANSFER OF SHARES**

The shares which had been acquired by way of transfer during the period of twelve (12) months immediately preceding the date on which the Initial Listing Application, are as follows:

*Table 7 8 Details of Transfer of Shares (Pre-sub division of shares)*

Date of Transfer	Transferor	Transferee	Type of Share	Number of Shares transferred	Transfer Price per share
26.11.2024	MR. HARSHA SRITHARAN	MR. N R GOONASEKERA	Voting Shares	75,000	130.00
	MR. HARSHA SRITHARAN	MR. U L B ARIYARATNA	Voting Shares	37,228	
04.10.2024	MR. A D PUSHPARAJAH	YEHUDA INVESTMENT HOLDINGS LIMITED	Voting Shares	500,000	114.00

*Table 7 9 Details of Transfer of Shares (Post-sub division of shares)*

Date of Transfer	Transferor	Transferee	Type of Share	Number of Shares transferred	Transfer Price per share
26.11.2024	MR. HARSHA SRITHARAN	MR. N R GOONASEKERA	Voting Shares	1,125,000	8.66
	MR. HARSHA SRITHARAN	MR. U L B ARIYARATNA	Voting Shares	558,420	
04.10.2024	MR. A D PUSHPARAJAH	YEHUDA INVESTMENT HOLDINGS LIMITED	Voting Shares	7,500,000	7.60

#### 7.3.4 RE-PURCHASES OR REDEMPTIONS

The Company has not carried out any share re-purchase under sections 63, 64, 93 or 100 of the Companies Act, redemption of shares under sections 66 to 69 of the Companies Act or stated capital reduction exercises under section 59 of the Companies Act, in the two (2) years preceding the date of this Prospectus.

#### 7.3.5 OUTSTANDING CONVERTIBLE DEBT SECURITIES

The Company has no outstanding Convertible Debt Securities as at the date of this Prospectus.

#### 7.3.6 EMPLOYEE SHARE OPTION SCHEMES

As at the date of this Prospectus, CALH does not have any Employee Share Option Schemes in effect.

### 7.4 FREE TRANSFERABILITY OF SHARES

The Pre-IPO Shareholders shall not transfer existing Ordinary Voting Shares during the interim period between the date of Initial Listing Application and the date of listing of the Shares of the Company.

The Pre-IPO Shares held by Non-Public Shareholders will be locked-in for a period of 6 months from the date of listing of the Shares of the entity. However, the Pre-IPO Shares held by Public Shareholders will not be subject to any lock-ins. Please refer Section 7.6 for further details pertaining to the locked-in Shares.

The New Shares offered via the IPO shall not be transferable by the Shareholders during the period commencing from the date of transfer of the Offered Shares and up to the date of listing (excluding the date of listing) on the CSE.

No Ordinary Voting Shares or Other Class of Shares are subscribed or sold privately, in conjunction with the public Issue of Shares.

There are no statutory restrictions on the free transferability of shares of the Company.

There are no restrictions in respect of non-residents holding shares of the Company, subject to the statutory restrictions specified above.

## 7.5 DIVIDEND POLICY

CALH has paid the following dividends for its Ordinary Shares, most recently and over the past five (05) completed Financial Years immediately preceding the date of this Prospectus:

*Table 7 10 Dividend Payments by the Company*

Dividend Paid Year	(LKR)
2024/25*	2,042,187,568
2023/24	1,850,731,034
2022/23	-
2021/22	300,376,213
2020/21	225,647,884
2019/20	-

*Source: Audited Financial Statements*

*\*As per Unaudited Financial Statements as at 31st Dec 2024*

The actual amount and timing of dividend payments on the Ordinary Voting Shares of the Company will be recommended and approved by the Board of Directors of the Company and the Shareholders of the Company in terms of the Companies Act and the Articles of Association of the Company. The dividend policy of the Company will be based on a number of factors, including but not limited to the Company's earnings, cash flow position, future investments and funding needs, the maintenance of a sound and efficient capital structure, and any other factors which the Board of Directors of the Company may deem relevant.

## 7.6 DETAILS PERTAINING TO THE LOCKED-IN SHARES

### 7.6.1 SHAREHOLDING STRUCTURE

Given below is the shareholding structure of the Company as at the date of the Prospectus (Pre-IPO) and subsequent to the Issue (Post-IPO) assuming full subscription.

Table 7.11 Pre and Post Shareholding

Name of Shareholder	Pre-IPO		Post-IPO	
	No. of Shares	%	No. of Shares	%
M/S. ASHTHI HOLDINGS (PRIVATE) LIMITED	557,044,530	29.10%	557,044,530	26.88%
M/S. JETWING TRAVELS (PRIVATE) LIMITED	547,846,320	28.61%	547,846,320	26.44%
MR. WIDANALAGE AJITH TERENCE FERNANDO	400,855,830	20.94%	400,855,830	19.35%
MS. NAWALAGE THERESE MANOURI SHIROMAL COORAY	175,310,640	9.16%	175,310,640	8.46%
MR. KANISHKE PIYANGA MANNAKKARA	57,236,370	2.99%	57,236,370	2.76%
MR. ANDREW DESHAN PUSHPARAJAH	53,980,410	2.82%	53,980,410	2.61%
MS. HABARAGAMURALALAGE MARY SHARMALI PERERA	32,596,560	1.70%	32,596,560	1.57%
MR. THARINDRA KULASINGHE	22,985,025	1.20%	22,985,025	1.11%
MR. AKILA MILANKA INDURUWAGE	16,834,230	0.88%	16,834,230	0.81%
MR. UDEESHAN RAJITH JONAS	13,467,375	0.70%	13,467,375	0.65%
YEHUDA INVESTMENT HOLDINGS LIMITED	7,500,000	0.39%	7,500,000	0.36%
MR. SAMPATHAWADUGE DILAN KEVIN FERNANDO	5,507,565	0.29%	5,507,565	0.27%
MR. ANTON DAMIEN RAYEN	5,050,290	0.26%	5,050,290	0.24%
MR. HETTIHEWAGE GAYAN RANDESH DE SILVA	5,050,260	0.26%	5,050,260	0.24%
MR. ASHVANTH VIJAYARAM	5,050,260	0.26%	5,050,260	0.24%
MR. LOKUGAN HEWAGE SANURA LEVANJITH SILVA	5,050,260	0.26%	5,050,260	0.24%
MS. PAVINI RANILA WIJESUNDARA	1,500,000	0.08%	1,500,000	0.07%
MR. N R GOONASEKERA	1,125,000	0.06%	1,125,000	0.05%
MR. U L B ARIYARATNA	558,420	0.03%	558,420	0.03%
IPO SHARES			157,500,000	7.60%
TOTAL	1,914,549,345	100.00%	2,072,049,345	100.00%

## 7.6.2 LOCKED-IN SHARES (PRE-IPO NUMBER OF SHARES)

In compliance with the CSE Listing Rules, 2.1.1(d) the Shares mentioned below will be locked-in and will not be available for trading as given below from the date of listing of the Shares of the Company.

Table 7 12 Non-Public Shareholders of CALH

Name of Shareholder	Category of Shareholders*	Locked-in Shares	The time period after which the Shares will be available for trading	No. of Shares (post-sub division)	% of total number of Shares in Issue
M/S. ASHTHI HOLDINGS (PRIVATE) LIMITED	Non-Public	Locked-in	6 Months	557,044,530	26.88%
M/S. JETWING TRAVELS (PRIVATE) LIMITED	Non-Public	Locked-in	6 Months	547,846,320	26.44%
MR. WIDANALAGE AJITH TERENCE FERNANDO	Non-Public	Locked-in	6 Months	400,855,830	19.35%
MS. NAWALAGE THERESE MANOURI SHIROMAL COORAY	Non-Public	Locked-in	6 Months	175,310,640	8.46%
MR. KANISHKE PIYANGA MANNAKKARA	Non-Public	Locked-in	6 Months	57,236,370	2.76%
MS. HABARAGAMURALALAGE MARY SHARMALI PERERA	Non-Public	Locked-in	6 Months	32,596,560	1.57%
MR. THARINDRA KULASINGHE	Non-Public	Locked-in	6 Months	22,985,025	1.11%
MR. UDEESHAN RAJITH JONAS	Non-Public	Locked-in	6 Months	13,467,375	0.65%
YEHUDA INVESTMENT HOLDINGS LIMITED	Non-Public	Locked-in	12 months from the date of transfer or 06 months from date of listing, whichever is longer**	7,500,000	0.36%
MR. N R GOONASEKERA	Non-Public	Locked-in	12 months from the date of transfer or 06 months from date of listing, whichever is longer**	1,125,000	0.05%
MR. U L B ARIYARATNA	Non-Public	Locked-in	12 months from the date of transfer or 06 months from date of listing, whichever is longer**	558,420	0.03%
TOTAL				1,816,526,070	94.88%

\* Public / Non-Public defined under CSE Listing Rules 2.1.1. (d)

\*\* Shares acquired by way of a transfer by Non-Public Shareholders or Public Shareholders during the period of twelve (12) months prior to the date of the Initial Listing Application shall be locked in for a minimum period of six (6) months from the Date of Listing the shares of the Entity or twelve (12) months from the date of acquisition of such shares, whichever is longer.

*Table 7 13 Pre IPO-lock-in of transferred shares*

Name of Shareholder	Date of Transfer	No. of Shares (Post-sub division)
YEHUDA INVESTMENT HOLDINGS LIMITED	04.10.2024	7,500,000
MR. N R GOONASEKERA	26.11.2024	1,125,000
MR. U L B ARIYARATNA	26.11.2024	558,420

Further, no further Share allotments were carried out among the Shareholders categorized either as “Public” or “Non-Public” during the period of twelve (12) months immediately preceding the date of the Initial Listing Application.

1,807,342,650 post-subdivision ordinary voting shares will be subject to a 6-month lock-in period in accordance with CSE Listing Rule 2.1.1 (d) (i). Additionally, 9,183,420 post-subdivision ordinary voting shares will be subject to a lock-in period 12 months from the date of transfer or 06 months from date of listing, whichever is longer, in line with CSE Listing Rule 2.1.1 (d) (iii).

Pre-IPO Public holding (number of Pre-IPO Shares held by the ‘Public’ as a percentage of the total Pre-IPO number of Shares), as per the ‘public’ definition provided in the CSE listing rules is 5.12%.

The Company hereby confirms that the information furnished herewith shall remain unchanged until the date of listing.

### 7.6.3 LOCKED-IN SHARE SUMMARY

*Table 7 14 Pre IPO-Locked-in Share Summary*

Category of Shareholders	Locked-in Shares	Lock-in Period	No. of Shares	% of Total
Non-Public Shareholders	Locked-in	6 Months	1,807,342,650	94.40%
Public Shareholders	Not Locked-in	N/A	98,023,275	5.12%
Non-Public Shareholders (Transferred Shares)	Locked-in	12 months from the date of transfer or 06 months from date of listing, whichever is longer		
Total			1,914,549,345	100.00%

Table 7 15 Post IPO Locked-in Share Summary

Category of Shareholders	Locked-in Shares	Lock-in Period	No. of Shares	% of Total
Non-Public Shareholders	Locked-in	6 Months	1,807,342,650	87.22%
IPO Shares	Not Locked-in	N/A	157,500,000	7.60%
Public Shareholders	Not Locked-in	N/A	98,023,275	4.73%
Non-Public Shareholders (Transferred Shares)	Locked-in	12 months from the date of transfer or 06 months from date of listing, whichever is longer	9,183,420	0.44%
Total			2,072,049,345	100.00%

\*Non-Public Shareholders defined under CSE Listing Rules 2.1.1.(d)

Post-IPO Public holding (number of Post IPO Shares held by the 'Public' as a percentage of the total Post IPO number of Shares), on the assumption that the parties who subscribe to the IPO shall be Public Shareholders (as per the 'Public Holding' definition provided in the CSE Listing Rules) is 12.33%.

## 7.7 TAKEOVER OFFERS

There has been no take-over offers by third parties in respect of the Company's Shares during the past two (02) years. Further, the Company has not made any takeover offers in respect of Shares of a third party.

## 7.8 FUTURE STRATEGIES

### A. Digitisation Drive

CALH has commenced its digitalisation initiative to enhance digital infrastructure, strategically positioning itself as an early entrant in the sector. The company continues to refine the digital experience with dual aims of minimizing onboarding costs and augmenting customer convenience, employing either the development of new systems or the acquisition and customization of existing platforms to meet evolving market demands.

### B. Frontier Market Expansion

As a financial institution dedicated to addressing the unique needs of frontier markets, CALH has developed substantial expertise in Sri Lanka and extended its operations into Bangladesh, with forthcoming plans to enter into other frontier markets. This strategic expansion is anticipated to significantly increase CALH's addressable market. Over the next five years, CALH intends to establish a presence in at least five frontier markets, thereby enhancing its footprint and leveraging its competencies in these emerging economies.

### C. Introduction of New Products to the Market

Sri Lanka's private sector derivatives market is underdeveloped, with limited hedging products for corporates and few instruments for market speculation. CALH, experienced in debt structuring, plans to expand into innovative products keeping with CALH's track record of being at the forefront as a market leader. Anticipating regulatory advancements, CALH is committed to being fully prepared for growth as the market and policies evolve.

### 7.8.1 ASSUMPTIONS ASSOCIATED WITH FUTURE STRATEGIES

#### A. Increased demand for non-banking investment instruments

The shift in investor preferences towards non-deposit-based investment instruments underscores a growing appetite for alternatives offering higher returns, liquidity, and diversification compared to traditional savings accounts. Products such as money market funds, unit trusts, equity funds and fixed-income securities continue to gain traction. CALH's capability to design and market innovative solutions tailored to these trends positions it to capitalize on this demand.

#### B. Enhanced Participation in Frontier Markets

CALH anticipates a surge in investor interest in frontier markets as these economies exhibit robust growth potential and diversification benefits. With its proven ability to navigate complex regulatory frameworks and market dynamics, CALH is uniquely positioned to attract institutional and retail investors. As regional economic integration and infrastructure development progress, CALH aims to be at the forefront of these transformative changes, offering compelling investment opportunities.

#### C. Regulatory Support for Financial Innovation

The company assumes that regulatory frameworks will continue to evolve in ways that encourage financial innovation. This includes fostering the growth of innovative financial products and digital trading platforms. CALH's proactive collaboration with regulators and steadfast commitment to compliance ensures its readiness to lead and innovate in this environment, positioning the company as a trusted partner in shaping the future of financial services.

#### D. Interest Rate Stability

CALH assumes a reasonably stable economic environment and interest rate regime in the short to medium term, reducing the likelihood of extreme trading losses or negative capital gains.

### 7.8.2 RISKS ASSOCIATED WITH THE FUTURE STRATEGIES

#### A. Investor appetite for new products

CALH recognizes that while the introduction of new financial products aligns with market needs, limited financial literacy among the broader investor base could hinder adoption. To address this challenge, CALH plans to implement targeted investor education programs and robust marketing campaigns to build awareness, understanding, and trust in these offerings.

#### B. Market Cycle Volatility

Although CALH employs a diversified portfolio approach to mitigate the impact of market fluctuations, individual business segments may be susceptible to adverse effects during periods of high volatility. CALH will focus on agile decision-making and enhanced risk management practices to minimize disruptions and optimize performance across all segments.



**C. Exposure to change in government regulations**

As a financial institution CALH is heavily exposed to the change in financial regulations by CBSL. This may present itself as a financial and legal risk to the entity if it is unable to maintain high levels of compliance to the laws and regulations of the country

**7.9 LEGAL, LITIGATION AND DISPUTES**

The Company has not been involved, nor is it currently involved in any legal, arbitration or mediation proceedings, which may have had significant effects on the Company's financial position and profitability.

Further, there have been no penalties imposed by regulatory and state authorities on the Company in the recent past, as at the date of this Prospectus.

There have been no recent amendments to any statutes or regulations applicable to the Company that have had, or are expected to have, a material impact on the business operations, financial condition, or results of operations of the Company.

**7.10 CONTINGENT LIABILITIES**

As of 31st December 2024, there were no other contingent liabilities that would affect the current and future profits of the Company.

**7.11 TAXATION APPLICABLE TO THE COMPANY****Corporate Income Taxation**

The Company is liable to pay tax at the rate of 30% in accordance with the Inland Revenue Act, No. 24 of 2017 and the Inland Revenue (Amendment) Act, No. 10 of 2021.

**Value Added Tax (VAT) on Financial Services**

Based on the Tax Consultant's opinion, the Board of the Directors of the Company is of the view that CALH is liable for VAT on Financial Services.

**Tax Concessions or Tax Exemptions**

The Company does not qualify for any tax concessions or tax exemptions as at the submission of the listing application.

## 7.12 ANALYSIS OF RECENT FINANCIAL INFORMATION

As a fully-fledged investment bank CALH has an exposure to income in the form of net interest income dependent on prevailing interest rates and fee-based income dependent on the assets under management.

*Table 7 16 Comparison of Audited Financial Information for Years Ended 31 March 2023 and 2024*

Financial Statement Item	FY23 (LKR)	FY24 (LKR)	YoY
Interest Income	4,933,953,995	10,741,758,453	118%[1]
Interest Expense	(3,320,326,008)	(6,759,307,512)	104%
Net Interest Income	1,613,627,987	3,982,450,941	147%
Fee Based Income	1,179,733,009	2,291,380,619	94%
Net Gain from Trading	623,824,930	19,060,617,107	2955%[2]
Net Fair Value Gains from Financial Assets at FVTPL	2,659,289,479	882,129,474	(67%)
Other Income	11,620,083	73,378,918	531%
Personnel Expense	(1,231,545,577)	(3,579,266,059)	191%[3]
Other Operating expense	(981,891,988)	(1,845,627,578)	88%
Profit After Tax	2,775,523,700	14,090,973,504	408%
Trade and Other Receivables	2,177,793,399	2,975,864,325	37%
Trade and Other Payables	1,933,500,669	3,912,195,041	102%
Financial Assets Measured at FVTPL	37,907,840,487	60,881,033,014	61%
Financial Assets Measured at FVOCI	7,402,021	-	(100%)
Financial Assets Measured at Amortised cost	776,635,029	1,157,988,494	49%
Financial Liabilities Measured at Amortised cost	31,897,725,903	37,914,225,387	19%
Financial Ratios			
Debt to Equity	83.6%	70.7%	-
Current Asset Ratio	1.38	1.06	-

[1] Group interest income surged by 118%, driven primarily by a 272% increase in interest income from Treasury Bonds, which rose from LKR 2.4 billion in FY 2023 to LKR 9.1 billion in FY 2024, largely contributed by Capital Alliance PLC (CALT). Additionally, interest income from securities purchased under resale agreements grew by 98%, increasing from LKR 42 million in FY 2023 to LKR 84 million in FY 2024.

[2] Group net gains from trading surged by 2,955%, primarily driven by a 3,177% increase in realized gains from Treasury Bonds, which rose from LKR 573 million in FY 2023 to LKR 18,782 million in FY 2024, contributed by Capital Alliance PLC. This significant increase was a result of the Company's strategic decision to reduce its trading portfolio in response to the decline in interest rates for government securities during FY 2024, leading to substantially higher realized trading gains compared to FY 2023.

[3] Group personnel expenses increased by 191%, driven by a 192% rise in salaries and other staff benefits, which grew from LKR 1,154 million in FY 2023 to LKR 3,373 million in FY 2024. This increase was primarily due to both an expansion in workforce size and higher remuneration levels.

Group total income recorded a significant increase, primarily driven by Capital Alliance PLC's exceptional profitability, which was fuelled by a substantial rise in net trading gains and interest income from government securities, benefiting from favourable market conditions. Additionally, the strong performance of the CAL Group's core businesses further contributed to the overall income growth.

Net Interest income witnessed a significant improvement in FY24 (compared to FY23) as a result of the declining interest rates during the year. The declining interest rates also supported the growth in CALHs net gains from supporting the Government of Sri Lanka's financing activities in the primary debt.

Furthermore, CALH's Profit After Tax in FY24 stood at LKR 14.1bn compared to the Profit After Tax figure of LKR 2.2bn– due to the change in the macroeconomic environment; further illustrating the dependence on the macroeconomic environment and the volatile nature of the industry, and, as a result, of the Company.

Company dividend income surged by 2,351%, primarily driven by LKR 2,121 million in dividend income received from Capital Alliance PLC in FY 2024. In contrast, no dividend income was declared by Capital Alliance PLC in FY 2023.

Group interest on securities sold under repurchase agreements increased by 114%, driven by Capital Alliance PLC, which facilitated CALT in lending more securities under repurchase agreements at a lower cost, benefiting from the decline in market interest rates.

Group management fee income increased by 168%, totalling LKR 1,496 million in FY 2024. This was primarily driven by Capital Alliance Investments Limited, which generated LKR 1,332 million in management fees, benefiting from significant growth in Assets Under Management (AUM) across its Unit Trust Funds and private wealth management portfolios. Additionally, Fixed Income Investment I (Pvt) Ltd, Fixed Income Investment II (Pvt) Ltd, Fixed Income Investment III (Pvt) Ltd, and Fixed Income Investment V (Pvt) Ltd contributed LKR 141 million in fee income, as FY 2024 marked their first year of operations, whereas no management fees were earned from these entities in FY 2023.

Group net capital gain on Treasury Bonds surged by 3,178%, driven by the Company's strategic decision to reduce its trading portfolio in response to the decline in interest rates for government securities during FY 2024. This led to a significant increase in realized gains from Treasury Bonds compared to FY 2023.

Company placement fee income declined by 99%, reflecting the inherent variability of these non-recurring revenue streams, which are subject to fluctuations.

Group remeasurement gain on government securities decreased by 65%, totalling LKR 936 million in FY 2024, primarily contributed by Capital Alliance PLC. This includes gains from Treasury bills and bonds. The Company's strategic decision to reduce its trading portfolio in response to the decline in interest rates for government securities during FY 2024 resulted in a lower remeasurement gain on the government securities portfolio as of March 31, 2024, compared to FY 2023.

Group provisions and accrued expenses increased by 314%, reaching LKR 2,963 million in FY 2024. Of this, LKR 2,631 million was allocated for staff bonuses and incentives, primarily from Capital Alliance PLC.

Reason for the negative cashflow in FY 2023, CALH has given an intercompany loan of LKR 1 billion provided to Capital Alliance PLC (CALT). Additionally, term loans were net settled by LKR 300 million, resulting in a negative net cash movement of LKR 52 million for the year.

Reason for the negative cashflow in FY 2024, CALH invested LKR 1,312 million in shares of Capital Alliance PLC, purchasing them from Mr. W. A. T. Fernando, a Director of CALT. As a result, CALH's ownership percentage in CALT increased from 79.41% to 86%. Furthermore, CALH fully settled its commercial paper borrowings of LKR 1,684 million and increased its share portfolio to LKR 129 million by making a net investment of LKR 96 million in FY 2024. Consequently, a negative cash and cash equivalent movement of LKR 38 million was recorded for the year.

**Table 7 17 Comparison of Unaudited Financial Information for the 9 Months Ended 31 December 2023 & 2024**

Financial Statement Item	for 9 months ended 31 December 2023 (LKR)	for 9 months ended 31 December 2024 (LKR)	YoY
Interest Income	8,282,370,843	6,793,114,270	(18%)
Interest Expense	(5,329,932,230)	(4,271,003,227)	(20%)
Net Interest Income	2,952,438,613	2,522,111,043	(15%)
Fee Based Income	1,483,992,264	1,928,711,983	30%
Net Gain from Trading	14,792,834,336	4,920,972,001	(67%)
Net Fair Value Gains from Financial Assets at FVTPL	2,662,732,473	(414,535,842)	(116%)
Other Income	27,242,010	60,164,106	121%
Personnel Expense	(1,543,686,543)	(1,216,417,394)	(21%)
Other Operating expense	(846,606,953)	(1,754,917,253)	107%
Profit After Tax	13,348,226,778	3,943,602,694	(70%)
Trade and Other Receivables	2,736,368,473	4,482,184,004	64%
Trade and Other Payables	1,474,637,224	2,769,245,108	88%
Financial Assets Measured at FVTPL	74,085,013,420	103,350,215,615	40%
Financial Assets Measured at FVOCI	7,402,021	-	(100%)
Financial Assets Measured at Amortised cost	169,261,861	5,482,309,287	3139%
Financial Liabilities Measured at Amortised cost	51,557,218,442	88,163,260,344	71%

The Net Interest Income for the 9 months ended 31 December 2024 saw a decline to LKR 2.5bn This was primarily due to the normalization of interest rates.

The steep drop in interest rates has significantly boosted CALH's profitability in recent quarters. However, as interest rates normalize in the coming quarters, the exceptional profits observed during the sharp rate declines are unlikely to continue. Instead, the more gradual decline in rates is expected to bring profitability to a more stable level, though it will still positively contribute to the group's overall earnings.

The extraordinary profits achieved from bond trading in FY2024 were predominantly due to exceptional economic conditions in Sri Lanka during the period. The sharp increase followed by normalization in interest rates created unique market dynamics, enabling Capital Alliance Holdings Limited to realize supernormal gains. These circumstances were specific to the macroeconomic environment at the time and may not recur under normal economic conditions.

#### **7.13 DETAILS OF BENEFITS PAID TO PROMOTERS**

No benefits have been paid or given within the two (02) years preceding the Issue and there is no benefit intended to be paid or given to any Promoter.

#### **7.14 DETAILS OF COMMISSION PAID**

CALH has not paid any commission in the two (02) years preceding the Issue, nor are any commissions payable for subscribing or agreeing to subscribe or procure or agreeing to procure subscription for any Shares of the Company apart from the brokerage payable on the IPO, as detailed in Section 1.11 of this Prospectus.

#### **7.15 INTERESTS IN TRANSACTIONS RELATING TO PROPERTY OF THE COMPANY**

There were no transactions relating to the property of the Company completed within the two (02) preceding years in which any vendor of the property to the Company or any person, is or was at the time of the transaction, a promoter or a director or proposed director of the Company having any interest, direct or indirect.

#### **7.16 MATERIAL CONTRACTS**

As at the date of the Prospectus there were no material contracts entered into or any agreements entered into with other parties by the Company within the preceding two (02) years, other than those contracts entered into as part of the ordinary course of business of the Company.

#### **7.17 MANAGEMENT AGREEMENTS**

There are no management agreements presently in force or currently being considered by the Company.

## 8. CORPORATE GOVERNANCE

### 8.1 STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company hereby confirms that it has duly complied with all applicable requirements of Corporate Governance (CG) as stipulated under Rule 9 of the CSE Listing Rules.

### 8.2 BOARD OF DIRECTORS

The Board of Directors of CALH comprises nine (09) Directors of whom four (04) are Non-Executive Independent Directors and five (05) are Non-Executive Non-Independent Directors .

The Company confirms that its Directors and Chief Executive Officer (CEO) meet the Fit and Proper criteria as set out under Rule 9.7 of the CSE Listing Rules (as amended).

The Company confirms that no alternate directors have been appointed to the Board of Directors as of the date of this Prospectus.

The Company confirms that the Independent Directors mentioned herein meet the criteria of independence as stipulated under Rule 9.8.3 of the CSE Listing Rules

As at the date of Prospectus the composition of the Board of Directors is as follows:

*Table 8 1 Board of Directors*

Name	Designation
Mr. Dinesh Ajit De Zoysa	Chairman – Non-Executive Non-Independent Director
Mr. Widanalage Ajith Terence Fernando	Non-Executive Non-Independent Director
Mr. Rajadurai James Arasaratnam	Non-Executive Non-Independent Director
Ms. Nawalage Therese Manouri Shiromal Cooray	Non-Executive Non-Independent Director
Mr. Thilanka Jeevan William	Non-Executive Independent Director
Mr. Conganige Sextus Roland Sanjeewa Anthony	Non-Executive Non-Independent Director
Ms. Rajitha Surangani Jayasuriya	Non-Executive Independent Director
Ms. Kasturi Angela Chellaraja Wilson*	Non-Executive Independent Director
Ms. Withanage Thusitha Vipuli Perera	Non-Executive Independent Director

\* Ms. Kasturi Angela Chellaraja tendered her resignation from the board effective 1st May 2023. Subsequently, she was reappointed as a board member with effect from 18th July 2024.

### 8.3 PROFILES OF THE BOARD OF DIRECTORS

Table 8.2 Director Profiles

Name and Designation	Business Experience
<b>Mr. Dinesh Ajit De Zoysa</b> (Chairman – Non-Executive Non-Independent Director)	<p>Mr. De Zoysa has been a Director since 2003 and currently serves as the Chairman of Capital Alliance Holdings Limited.</p> <p>He is the Managing Director of AEC Ltd., and Deputy Chairman and Managing Director of ADZIB Insurance Broker bringing over 30 years of industry experience.</p> <p>In addition, Mr. De Zoysa serves as a board member across various sectors, hospitality and travel, real estate development HR consulting and Education.</p> <p>Mr. De Zoysa is Trustee and board member of Musaeus College, Colombo. He holds a Bachelor of Business (Finance and IT) from the University of Technology, Sydney, and an MSc in Insurance and Sustainable Risk Management from Glasgow Caledonian University, London.</p>
<b>Mr. Widanalage Ajith Terence Fernando</b> (Non-Executive Non-Independent Director)	<p>Mr. Ajith Fernando has served in the capacity of Executive Director since founding the Company in October 2000, up until his transition to a Non-Executive Non-Independent Director in 2024. He has over 30 years of experience in the Primary Dealing industry. Mr. Fernando also serves as the Chairman of Logicare (Private) Limited, Sri Lanka Technology Campus (Pvt) Ltd, CAL Securities Limited (Bangladesh) and as a Director of Ceylon Tea Brokers PLC.</p> <p>He is a Fellow of the Chartered Institute of Management Accountants (UK) and holds an MA in Financial Economics from the University of Colombo.</p>
<b>Mr. Rajadurai James Arasaratnam</b> (Non-Executive Non-Independent Director)	<p>Mr. Arasaratnam hails from the field of Accountancy prior to embarking on a career in the Travel Trade and counts over 40 years of experience in the field of Travel, Tour Operations and other Travel Related Fields.</p> <p>Mr. Arasaratnam is the Executive Director of Jetwing Travels. He specialises in the Marketing Functions of the Group.</p>
<b>Ms. Nawalage Therese Manouri Shiromal Cooray</b> (Non-Executive Non-Independent Director)	<p>Ms. Shiromal Cooray is the Chairman &amp; Managing Director of Jetwing Travels (Private) Ltd, one of the leading Destination Management Companies in Sri Lanka. With diverse experience in a number of industries, Shiromal also holds directorates in hotels, finance, investment banking and Commodity brokering.</p> <p>Hailing from a background in finance and management, Shiromal holds an MBA from the University of Colombo, is a Fellow Member of the Chartered Institute of Management Accountants UK, and a former Finance Director of J. Walter Thompson Ltd (Colombo) along with work experience in the UK and Hong Kong. She is past Chairman of the Sri Lanka Institute of Directors (SLID), and past President of the Sri Lanka Association of Inbound Tour Operators. Shiromal currently is an Independent Non-Executive Director of Commercial Bank PLC and Allianz Insurance Lanka Ltd.</p>

Name and Designation	Business Experience
<b>Mr. Thilanka Jeevan William</b> (Non-Executive Independent Director)	Mr. Jeevan William has over twenty-seven years of investment banking and capital markets experience in senior positions with leading global investment banks, which includes Bank of America and Morgan Stanley in London, San Francisco, Hong Kong and Sydney. His industrial expertise complements and further strengthens CAL's well-earned reputation and pre-eminent leading positions in Corporate Finance, Advisory, Debt Capital Markets and Funds Management.
<b>Mr. Conganige Sextus Roland Sanjeewa Anthony</b> (Non-Executive Non-Independent Director)	Mr. Sanjeewa Anthony is an Attorney-at-Law of the Supreme Court of the Democratic Socialist Republic of Sri Lanka, Notary Public, Commissioner for Oaths and a Registered Company Secretary. He is also a Fellow Member of the Chartered Institute of Management Accountants (FCMA) UK, Chartered Global Management Accountant (CGMA), an Associate Member of the Institute of the Chartered Accountants of Sri Lanka (ACA), a Fellow Member of The Institute of Certified Management Accountants of Sri Lanka (FCMA) and a Fellow Member of Certified Professional Managers (FCPM). He commenced his career at PricewaterhouseCoopers, prior to joining Jetwing Hotels Limited as Finance Manager in 1996 and is currently the Executive Director. He is also serving on several Directorates including two Publicly Quoted companies. Sanjeewa is a Life Member of the Bar Association of Sri Lanka ("BASL").
<b>Ms. Rajitha Surangani Jayasuriya</b> (Non-Executive Independent Director)	Ms. Rajitha Jayasuriya is a Board Director of MAS and heads the overall legal operation of MAS Holdings. Having established the organization's legal function in 2004, Rajitha provides strategic advice to the shareholders, the Board and the Executive teams of the apparel industry leader, negotiating and managing cross border ventures across new business verticals, including innovation, startup acquisitions, brands and IT solutions. She draws from a two-decade long career in enterprise-driven legal functions spanning corporate governance, intellectual property management, local / cross border acquisitions and divestitures, contracts, banking finance, compliance and global structuring. Rajitha is an Attorney-at-Law of the Supreme Court of Sri Lanka and holds a Master of Laws (LL.M) from Monash University Melbourne, Australia. She is also an alumnus of the prestigious Stanford University Business School and the National University Singapore Business School.



Name and Designation	Business Experience
Ms. Kasturi Angela Chellaraja Wilson (Non-Executive Independent Director)	<p>Ms. Kasturi Angela Wilson is the Chief Operating Officer (Head of APAC) of 5hour International Corporation, with over 30 years of experience in leadership and corporate strategy. She was the Group CEO of Hemas Holdings PLC from 2020 to 2024, becoming the first female CEO of a listed conglomerate in Sri Lanka. A Harvard Business School alumna and Fellow of CIMA, Kasturi began her career as an Audit Trainee at Someswaran Jayawickrema &amp; Co (now Deloitte) in 1988. She joined Hemas in 2002 and held key leadership roles, driving growth in Hemas Pharmaceuticals, Surgicals, Diagnostics, and Mobility sectors.</p> <p>Kasturi also serves on several boards, including National Development Bank PLC, Mercantile Services and Provident Society, and the Ceylon Chamber of Commerce. She was named a Top Women Change-Maker by the Parliament of Sri Lanka and is a Regional Champion for the World Bank and UNICEF Sri Lanka Business Council. Additionally, she is a dual-sport national athlete, having represented Sri Lanka in netball and basketball.</p>
<b>Ms. Withanage Thusitha Vipuli Perera</b> (Non-Executive Independent Director)	<p>Ms. Thusitha Perera has many years of local and international experiences in International Finance, managing Global Business Services, Financial Planning, Business development and People Development. She counts 24 years of experience with two Global multinationals Holcim and Michelin. She gained living and work experiences in multiple countries in South East Asia, Australia and Switzerland in addition to working in Sri Lanka. She held diverse financial roles as the Commercial Controller, Regional Controller for South East Asia, Head of Shared services in the Philippines and Sri Lanka and Finance Director in the Philippines and Sri Lanka. Her previous role was as the CFO/Executive Director of Michelin Lanka Pvt Ltd up to August 2024. Thusitha is a passionate contributor to people development, Diversity and Process excellence. Thusitha Perea is a Member of CPA Australia and holds a Master's Degree from QUT Australia on International Business. Her Bachelor's degree is from the University of Colombo. She has participated in many international development programs.</p>

## OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

*Table 8.3 Other Directorships held by the Directors*

Name and Designation	Other Directorships
<b>Mr. Dinesh Ajit De Zoysa</b>	<p>Associated Electrical Corporation Ltd</p> <p>ADZ Insurance Brokers (Pvt) Ltd</p> <p>A E C Properties (Pvt) Ltd</p> <p>Commercial Agencies (Ceylon) (Pvt) Ltd</p> <p>Capital Alliance PLC</p> <p>Ajita De Zoysa and (Company) (Pvt) Ltd</p> <p>Corporate Druids (Pvt) Ltd</p> <p>Wizard Entertainment (Pvt) Ltd</p> <p>Aurora Amicitia (Pvt) Ltd</p> <p>Pepper Life (Pvt) Ltd</p> <p>Trusted Door (Pvt) Ltd</p> <p>SLT Campus (Pvt) Ltd</p> <p>Tempest Two (Pvt) Ltd</p> <p>Park Street Social (Pvt) Ltd</p> <p>Granite Capital (Pvt) Ltd</p> <p>Finco Holdings (Pvt) Ltd</p> <p>Associated Resort Developers (Private) Limited</p> <p>Jungle Beach Resort (Private) Limited</p> <p>Uga Escapes (Private) Limited</p> <p>Uga Escapes Colombo (Private) Limited</p> <p>Uga Escapes Hatton (Private) Limited</p> <p>Uga Escapes Management (Private) Limited</p> <p>Uga Escapes Negombo (Private) Limited</p> <p>Uga Escapes Sigiriya (Private) Limited</p> <p>Uga Escapes Yala (Private) Limited</p> <p>Ulagalla Walawwa Resort (Private) Limited</p> <p>Yala Holiday Resorts (Private) Limited</p>

Name and Designation	Other Directorships
<b>Mr. Widanalage Ajith Terence Fernando</b>	ADZ Insurance Brokers (Pvt) Ltd Ashthi Holdings (Pvt) Ltd CAL Bangladesh Limited CAL Investment Consultancy FZ-LLC Hemas Holdings PLC Capital Alliance PLC Rockland Distilleries (Pvt) Ltd SLT Campus (Pvt) Ltd The Metal Factor Logicare (Pvt) Ltd – Chairman Ceylon Tea Brokers PLC CAL Securities Ltd
<b>Mr. Rajadurai James Arasaratnam</b>	Capital Alliance PLC Jetwing Travels (Pvt) Ltd Jetwing Air (Pvt) Ltd Jetwing Eco Holidays Go Vacation Sri Lanka Total Holiday Options
<b>Ms. Nawalage Therese Manouri Shiromal Cooray</b>	Negombo Hotels Ltd Jetwing Hotels Ltd Jetwing Travels (Pvt) Ltd Jetwing Hotels Management Services (Pvt) Ltd The Lighthouse Hotel PLC Jetwing Air (Pvt) Ltd Yarl Hotels (Pvt) Ltd Lanka Houseboat (Pvt) Ltd Jetwing Symphony PLC Jet Enterprises (Pvt) Ltd Go vacations Lanka (Pvt) Ltd Ceylon Tea Brokers PLC Commercial Bank of Ceylon PLC Allianz Insurance Lanka Ltd Allianz Life Insurance Lanka Ltd Saman Villas Ltd
<b>Mr. Thilanka Jeevan William</b>	Granite Capital (Pvt) Ltd Fortude (Pvt) Limited The Risk Board, Brandix Lanka Ltd Magma Capital Partners (Principal)

Name and Designation	Other Directorships
<b>Mr. Conganige Sextus Roland Sanjeewa Anthony</b>	Jetwing Hotels Limited The Lighthouse Hotel PLC Negombo Landmark (Pvt) Ltd The First Resort (Pvt) Ltd Jetwing Eco Holidays (Pvt) Ltd Jetwing Relief Fund (Guarantee) (Pvt) Ltd Ranagala Hotels (Pvt) Ltd Jetwing Kiwi Ltd Jetwing Kiwi Management Ltd Thalahena Villas (Pvt) Ltd Jetwing Zinc Journeys Lanka (Pvt) Ltd Jetwing Kaduruketha (Pvt) Ltd Jet Enterprises (Pvt) Ltd Jetwing Academy (Pvt) Ltd Capital Alliance PLC
<b>Ms. Rajitha Surangani Jayasuriya</b>	MAS Capital (Pvt) Ltd MAS Intimates Kenya
<b>Ms. Kasturi Angela Chellaraja Wilson</b>	National Development Bank PLC Ceylon Chamber of Commerce Mercantile Services and Provident Society Senkadagala Finance PLC
<b>Ms. Withanage Thusitha Vipuli Perera</b>	Hemas Holdings PLC Vividha Options Pvt Ltd Multiplus Pvt Ltd Avinya Foundation

#### 8.4 DIRECTORS' SHAREHOLDINGS IN THE COMPANY

The Pre-IPO Directors' shareholding in the Company is as follows:

*Table 8.4 Directors' Shareholding in the Company*

Name of the Director	Designation	Pre-IPO Shares Held*	% Shareholding
Mr. Widanalage Ajith Terence Fernando	Non-Executive Non-Independent Director	400,855,830	20.94%
Ms. Nawalage Therese Manouri Shiromal Cooray	Non-Executive Non-Independent Director	175,310,640	9.16%

\* Pre-IPO shareholding post share sub-division

## 8.5 DIRECTORS' DIRECT SHAREHOLDING IN SUBSIDIARIES

Table 8.5 Direct Shareholding in Subsidiaries

Name of the Director	Pre-IPO Shares Held*	% Shareholding
Mr. Widanalage Ajith Terence Fernando		
Finnovation (Private) Limited	1	0.00%
Mr. Rajadurai James Arasaratnam		
Capital Alliance PLC	3,312	0.00%
Mr. Conganige Sextus Roland Sanjeewa Anthony		
Capital Alliance PLC	2,600	0.00%
Ms. Nawalage Therese Manouri Shiromal Cooray		
Capital Alliance PLC	12	0.00%

## 8.6 SALE AND PURCHASE OF CALH SHARES BY DIRECTORS

The Directors of the Company have not made any sales and/or purchases of Shares of CALH during the year immediately preceding the date of this Prospectus.

The Articles of Association of the Company do not require any shareholding qualification for directors, unless otherwise determined at a General Meeting of the Company. The Company further confirms that no such determination has been made at any General Meeting to date.

## 8.7 DIRECTORS' INVOLVEMENT IN LITIGATION AND OFFENCES

No Director or a person nominated to become a Director of the Company has been involved in:

- Any petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he/she was an Executive Officer.
- Any conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.
- No such Director was the subject of any order, judgment or ruling of any court of competent jurisdiction temporarily enjoining him/her from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

## 8.8 DIRECTORS INTEREST IN ASSETS

None of the Directors have any interest in any assets acquired, disposed of or leased by the Company during the past two (02) years preceding the date of this Prospectus and/or in any assets proposed to be acquired, disposed of or leased during the two (02) years succeeding the Issue.

### 8.8.1 DIRECTOR INTERESTS IN CONTRACTS

There are no contracts or arrangements in force as of the date of the submission of the Initial Listing Application to which the Directors are materially interested in relation to the business of the Company.

## 8.9 CORPORATE GOVERNANCE PRACTICES

### 8.9.1 AUDIT COMMITTEE

The Audit Committee takes an independent stance when it comes to providing advice and assistance regarding internal functions of the Company. The Audit Committee regularly reviews the performance of the Company through discussions with the Directors and Senior Management, and reviews the Internal Audits carried out by the Internal Auditors. The Audit Committee also monitors all audit activities and ensures compliance with Financial Standards and Statutory regulations.

Members of the CALH Audit Committee are as follows:

- Ms. Withanage Thusitha Vipuli Perera (Chair) - Non-Executive Independent Director
- Ms. Kasturi Angela Chellaraja Wilson - Non-Executive Independent Director
- Mr. Conganige Sextus Roland Sanjeewa Anthony - Non-Executive Non-Independent Director

### 8.9.2 REMUNERATION COMMITTEE

The Remuneration Committee is responsible to make remuneration policy recommendations to the Board of CALH and as such works closely with the members of the Board. In terms of the Articles of Association of the Company, remuneration of the Directors must be a sum the Board determines as being fair and reasonable to the Company.

The Committee ensures transparency and fairness in remuneration policy, as no Director is able to decide their remuneration and they review policy frameworks set out by the Company's Human Resources and Finance. They also ensure that compensation payments to any Executive Directors or members of Senior Management are followed through in accordance with the legal context of the country. The Remuneration Committee's primary objective is to attract and retain a highly qualified and experienced workforce and reward their performance.

Members of the CALH Remuneration Committee are as follows:

- Ms. Kasturi Angela Chellaraja Wilson (Chair) - Non-Executive Independent Director
- Ms. Rajitha Surangani Jayasuriya - Non-Executive Independent Director
- Ms. Nawalage Therese Manouri Shiromal Cooray - Non-Executive Non-Independent Director
- Mr. Widanalage Ajith Terence Fernando - Non-Executive Non-Independent Director
- Mr. Dinesh Ajit De Zoysa - Non-Executive Non-Independent Director

The aggregate remuneration paid to the executive and non-executive directors for the period 1st April 2024 to 31st December 2024 is equal to LKR 6,600,000

Capital Alliance Holdings (CALH) confirms the existence of a comprehensive Rewards Policy. All decisions related to remuneration and benefits are reviewed and deliberated by the Remuneration Committee. These processes are outlined in the Terms of Reference for the Remuneration Committee, which CALH has established.

For the purpose of this Prospectus, the term “remuneration” shall refer to all cash and non-cash benefits received in consideration of employment with the Listed Entity, excluding statutory entitlements such as contributions to the Employees’ Provident Fund (EPF) and Employees’ Trust Fund (ETF).

### **8.9.3 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE**

The objective of the Related Party Transactions Review Committee is to ensure there is firm adherence to the guidelines surrounding related party transactions. The Committee oversees that industry best practices are followed and that the interests of all stakeholders are considered.

Members of the CALH Related Party Transactions Review Committee are as follows:

- Ms. Kasturi Angela Chellaraja Wilson (Chair) - Non-Executive Independent Director
- Ms. Withanage Thusitha Vipuli Perera - Non-Executive Independent Director
- Mr. Conganige Sextus Roland Sanjeewa Anthony - Non-Executive Non-Independent Director

### **8.9.4 NOMINATIONS AND GOVERNANCE COMMITTEE**

The objective of the Nominations and Governance Committee is to ensure effective board composition and governance practices. This includes nominating qualified board members, overseeing succession planning, and ensuring adherence to corporate governance standards. The committee also promotes diversity and evaluates board performance to support strong leadership and ethical decision-making.

Members of the CALH Nominations and Governance Committee are as follows:

- Ms. Rajitha Surangani Jayasuriya - Non-Executive Independent Director
- Ms. Kasturi Angela Chellaraja Wilson - Non-Executive Independent Director
- Mr. Dinesh Ajit De Zoysa - Non-Executive Non-Independent Director

## 9.0 HUMAN RESOURCES

### 9.1 EMPLOYEES

As at 8th November 2024, there are 180 employees at CALH. There are no labour unions within the Company nor within the CAL Group.

### 9.2 CHIEF EXECUTIVE OFFICER/MANAGING DIRECTOR

*Table 9 1 CEO/Managing Director's Profile*

<b>Name</b>	Mr. Kanishke Mannakkara
<b>Business Experience</b>	Mr. Kanishke Mannakkara is the Group Chief Executive Officer and Chairman of Capital Alliance Investments Ltd. He has over 15 years' experience in capital markets. He has been with CAL since April 2018. Prior to that, he served in a number of positions at the MAS Group in Sri Lanka and the UK over 13 years, including as the global head of corporate finance, treasury and strategy. Kanishke was responsible for setting up the treasury function at MAS in 2007, and managed the reserves of MAS in multiple debt and equity portfolios across multiple currencies during the period from 2007-2013.

The Chief Executive Officer/Managing Director has not been involved in:

- Any petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an Executive Officer.
- Any conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

### 9.3 SENIOR MANAGEMENT

The Senior Management of the Company specified in this section of the Prospectus are common to the CAL Group and, as such, carries out their specified duties across multiple entities including CALH.

*Table 9 2 Senior Management Profiles*

<b>Designation and Name</b>	<b>Business Experience</b>
<b>Chief Information Officer – CAL Group</b> Mr. Tharindra Kulasinghe	Mr. Kulasinghe spearheads the digital transformation of CAL Group, driving innovation across technology infrastructure, software, and product development to harness global market opportunities. With an MEng in Mechanical Engineering and Business Management, a BEng in Mechanical Engineering, and PRINCE2 certification, he brings extensive expertise in managing complex technology initiatives.  Having held key roles at MillenniumIT (now LSEG Technology) and Brandix i3 (now Fortude), he integrates cutting-edge solutions to streamline CAL's operations and redefine financial services. Under his leadership, CAL continues to disrupt industry norms and chart new paths for growth.



Designation and Name	Business Experience
<b>Chief Human Resources Officer – CAL Group</b> Ms. Anushi Jayasinghe	<p>Mrs. Jayasinghe is a well experienced HR leader with expertise in talent management, employee engagement, and aligning HR with business strategy. Currently the Chief Human Resources Officer at Capital Alliance Holdings, she has held key roles at Hela Apparel Holdings, Heineken Lanka, and MAS Holdings, leading HR functions across multiple countries. With an MBA from the University of Colombo and executive training from Stanford, she brings strategic insight and a commitment to fostering growth and positive workplace culture.</p>
<b>Head of Finance – CAL Group</b> Mr. Nishantha Adhikari	<p>Mr. Nishantha Adhikari holds a Bachelor of Science in Accounting (Special) from the University of Sri Jayewardenepura, along with an MBA from the University of Southern Queensland, providing a strong foundation in both technical accounting and strategic management. He is also a distinguished member of CA Sri Lanka, ACCA, and CMA Sri Lanka, reflecting his commitment to professional excellence and adherence to high ethical standards in finance.</p> <p>With over 11 years of experience, he has held significant positions, including as a Manager at KPMG Sri Lanka, where he mastered his skills in audit, financial Management, Tax, and regulatory compliance. He also served as the Financial Controller at Ceylon Tea Brokers PLC, where he was instrumental in overseeing financial operations and contributing to the company's strategic financial goals.</p>

## 10. DECLARATIONS

### 10.1 DECLARATION BY THE DIRECTORS

We, the undersigned being the Directors of Capital Alliance Holdings Limited, hereby declare and confirm that we have read the provisions of the Companies Act No. 7 of 2007 relating to the issue of the Prospectus and that those provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that the provisions of the Listing Rules of the Colombo Stock Exchange and the Companies Act No. 7 of 2007 and any amendments made thereto from time to time, have been complied with and after making all reasonable inquiries and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Prospectus, such representations have been made after due and careful inquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time and according to our best judgments.

We further declare that the profit forecasts have been included in this Prospectus after due and careful inquiry of the information available with the Company and assumptions that are considered to be reasonable at the present point in time and according to our best judgments.

*Table 10 1 Declaration by The Directors*

Name of the Director	Designation	Signature
Mr. Dinesh Ajit De Zoysa	Chairman – Non-Executive Non-Independent Director	Sgd.
Mr. Widanalage Ajith Terence Fernando	Non-Executive Non-Independent Director	Sgd.
Mr. Rajadurai James Arasaratnam	Non-Executive Non-Independent Director	Sgd.
Ms. Nawalage Therese Manouri Shiromal Cooray	Non-Executive Non-Independent Director	Sgd.
Mr. Thilanka Jeevan William	Non-Executive Independent Director	Sgd.
Mr. Conganige Sextus Roland Sanjeewa Anthony	Non-Executive Non-Independent Director	Sgd.
Ms. Rajitha Surangani Jayasuriya	Non-Executive Independent Director	Sgd.
Ms. Kasturi Angela Chellaraja Wilson	Non-Executive Independent Director	Sgd.
Ms. Withanage Thusitha Vipuli Perera	Non-Executive Independent Director	Sgd.

**10.2 DECLARATION BY THE COMPANY**

We, Capital Alliance Holdings Limited, having our Registered office at Level 2, "Millennium House", 46/58, Nawam Mawatha, Colombo 02, hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and fair disclosure of all material facts about the Offer and the Company.

An application has been made to the Colombo Stock Exchange for permission to deal in and for a listing for all of the Ordinary Voting Shares Offered by the Company, and those Ordinary Voting Shares are the subject of this Offer. Such permission will be granted when the Ordinary Voting Shares are listed on the Colombo Stock Exchange. The Colombo Stock Exchange assumes no responsibility for the correctness of any of the statements or omissions made in this Prospectus. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Company or of the Shares Offered.

Sgd.  
Director

Sgd.  
Director

**10.3 DECLARATION BY THE MANAGERS AND FINANCIAL ADVISORS TO THE OFFER**

We, Capital Alliance Partners Limited of Level 2, "Millennium House", 46/58, Nawam Mawatha, Colombo 02 hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and true disclosure of all material facts about the Offer and the Company and we have satisfied ourselves that the profit forecasts had been stated by the Directors after due and careful inquiry.

We, Capital Alliance Holdings Limited (Company), declare that, Capital Alliance Partners Limited (the Managers and Financial Advisors to the Issue) is the only related entity that is a party to the Issue. Therefore, we hereby confirm that, the Company has no conflict of interest with the parties to the Issue who are expected/considered to be independent.

Sgd.  
Director

Sgd.  
Director

#### 10.4 DECLARATION BY THE INDEPENDENT VALUERS TO THE OFFER

We, Deloitte FAS (Pvt) Ltd having our registered office at 100 Braybrooke Place, Colombo 02, Sri Lanka hereby declare that we are neither a related party to Capital Alliance Holdings Limited, as defined in the Sri Lankan Accounting Standards, nor have a significant interest or financial connection with Capital Alliance Holdings Limited and/or the Group.

We declare that we are a member of good standing in a professional association relevant to the valuation assignment undertaken and have the necessary skills and resources available at our disposal to arrive at a competent independent opinion in determining the IPO Price.

Furthermore, we also declare that we have made all the inquiries that we believe are desirable and appropriate in order to arrive at a competent independent opinion.

Sgd.  
Director

Sgd.  
Director