



Engineered for Growth



CAPITAL ALLIANCE HOLDINGS PLC | ANNUAL REPORT 2025/26

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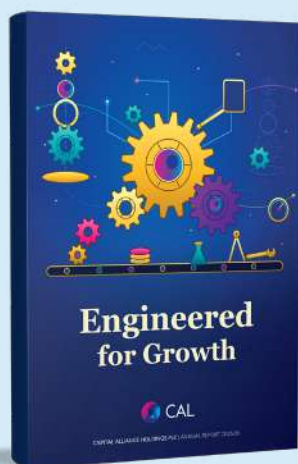
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ABOUT THIS REPORT

WELCOME TO OUR 6TH ANNUAL REPORT



Capital Alliance Holdings PLC is pleased to present our 6th Annual Report. This Annual Report marks Capital Alliance Holdings PLC's second reporting cycle as a listed entity following its successful listing on the Colombo Stock Exchange on 30 May 2025. This represents a significant milestone in our corporate journey and reinforces our commitment to transparency, accountability and value creation for our stakeholders. The Independent Auditors' Report on the Financial Statements has been prepared in accordance with the applicable statutory and regulatory requirements. The Company's Financial Statements were certified by the Chief Financial Officer and reviewed and recommended for submission to the Board of Directors

by the Board Audit Committee. The Financial Statements were subsequently approved by the Board of Directors on 31st August 2026.

Since 2021, our reporting approach has evolved to provide stakeholders with a comprehensive view of the Company's and the Group's financial and non-financial performance, strategic direction, governance, key risks and future prospects. This Annual Report brings together information considered relevant to an understanding of the Group's performance, operations, governance and future outlook, with the objective of providing stakeholders with a clear, balanced and transparent account of the Group.

REPORTING PERIOD AND BOUNDARY

Capital Alliance Holdings PLC and its subsidiaries (collectively referred to as the "Group") have prepared and issued this Annual Report to provide stakeholders with a comprehensive and transparent account of the Group's performance, strategic direction, governance, key risks and future prospects for the financial year commencing on 1 April 2025 and ending on 31 March 2026. This reporting period corresponds with the Group's statutory financial reporting period.

The financial information presented in this Annual Report relates to the Group's statutory reporting period, unless otherwise stated. Non-financial information has been presented where considered relevant to an understanding of the Group's operations, performance, governance and activities.

There have been no material changes to the reporting scope or boundaries compared with prior periods, except where specifically disclosed. Where applicable, any reclassifications or restatements of comparative financial information have been clearly disclosed and explained in the relevant sections of this Annual Report.

In addition to the parent entity, Capital Alliance Holdings PLC, this Annual Report covers the operational and financial performance of the its subsidiaries within the Group, providing a consolidated view of the Group's activities and performance:

Except where otherwise indicated, this Annual Report presents information on the principal financial and non-financial matters considered relevant to the Company and its stakeholders. The disclosures have been determined based on their relevance to the Company's operations, strategy, performance and stakeholders.

STATEMENT OF COMPLIANCE

The financial and non-financial information presented in this Annual Report has been prepared with due consideration to the applicable laws, regulations and reporting requirements relevant to the Group, including the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, applicable requirements of the Securities and Exchange Commission of Sri Lanka, the Central Bank of Sri Lanka and the Inland Revenue Department, as well as applicable standards and guidelines issued by the Institute of Chartered Accountants of Sri Lanka.

ASSURANCE

The Board of Directors of Capital Alliance Holdings PLC holds ultimate responsibility for the integrity of this Annual Report. The Board affirms that the report for the financial year 2025/26 provides a comprehensive, balanced and

ABOUT THIS REPORT

accurate representation of the Group's performance and the principal financial and non-financial matters relevant to the Group during the reporting period.

The Group adopts a combined assurance model to support the reliability of information derived from management and a range of internal and external sources. The Group's Compliance and Risk Function provides the Board with ongoing internal assurance through the execution of due diligence processes that evaluate the effectiveness of the Group's financial, operational, compliance, risk management and governance frameworks.

The Group's financial statements for the year ended 31 March 2026 have been independently audited by its external auditors, Messrs. KPMG, Chartered Accountants. Their Independent Auditors' Report is presented on pages 108 to 111 of this Annual Report.

FORWARD-LOOKING STATEMENTS

Forward-looking strategies and perspectives are articulated throughout this report in the appropriate sections, representing the views and intentions of Capital Alliance Holdings PLC at the time of publication. However, given the evolving nature of the Group's operating environment and the inherent uncertainties associated with future developments, actual results or actions may differ materially from those anticipated. Accordingly, readers are advised not to construe these forward-looking statements as guarantees of future performance or commitments to a specific course of action.

BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Capital Alliance Holdings PLC assumes ultimate responsibility for the integrity and accuracy of this Annual Report. The Board confirms that the Annual Report for the financial year 2025/26 provides a fair, balanced and comprehensive account of the Group's performance and appropriately presents the principal financial and non-financial matters relevant to the Group during the reporting period.

FEEDBACK AND FURTHER INFORMATION

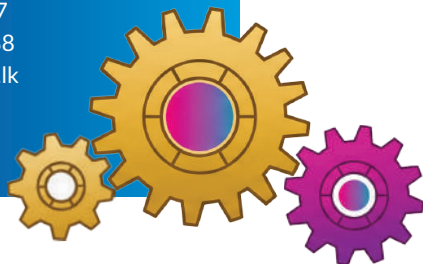
We highly value your feedback, suggestions, and comments, as they are instrumental in continuously improving the clarity, relevance, and overall quality of our Annual Report. Please direct your feedback to:

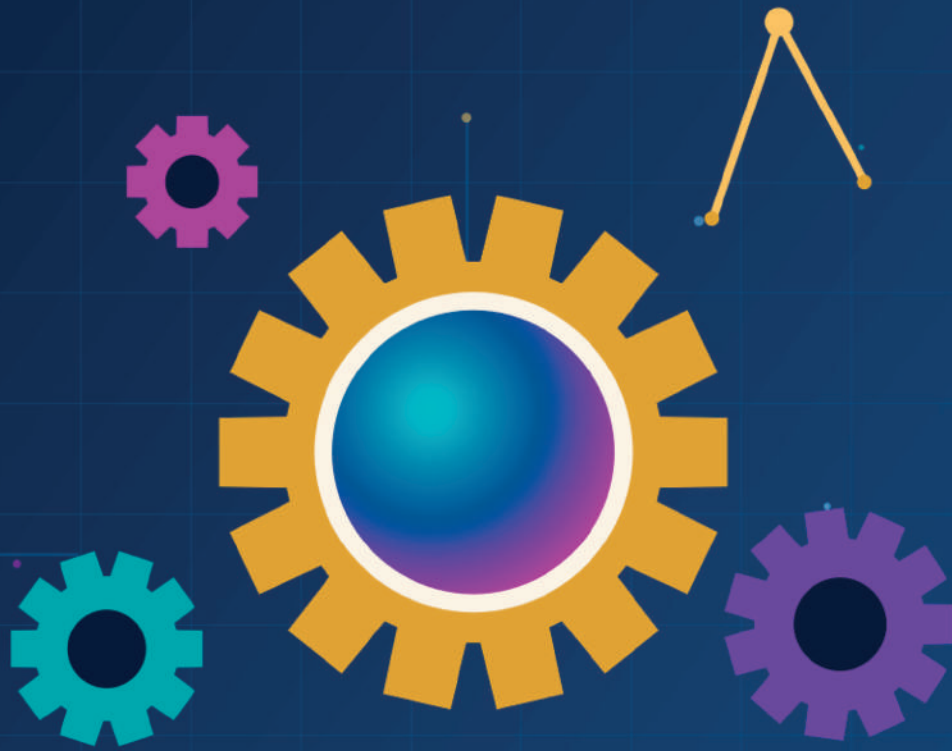
Mr. Channa Gunasekera
Chief Financial Officer
Capital Alliance Holdings PLC
6th Floor, M2M Verandah Offices,
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Colombo 02,
Sri Lanka.

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Email: channag@cal.lk



Our Annual Report is also available online.
Please visit our website at <https://cal.lk/capital-alliance-holdings-plc-annual-report-2025-26/>





OVERVIEW

*Every machine begins
with a blueprint.*

ABOUT US

Capital Alliance Holdings PLC (CAL) is a fully integrated investment bank, with a strategic focus on serving family-owned enterprises and institutional clients. Our commitment is rooted in developing a deep understanding of our clients' unique needs and the dynamics of the markets in which we operate. We deliver high-quality bespoke financial solutions, leveraging advanced technology to drive efficiency across capital markets with the broader objective of contributing to sustainable economic prosperity.

During its formative years, CAL strategically concentrated on establishing a strong foundation of corporate clients, while concurrently developing its retail operations. This dual-focus approach has, over the past 25 years, enabled CAL to cultivate a distinguished portfolio

of corporate clientele. The success of this strategy has played a pivotal role in shaping the Group's current market position and contributing to its sustained achievements.

As CAL approaches its 26th anniversary since inception in October 2000, the Group reflects on a journey marked by consistent growth, strategic evolution, and deepening market expertise. Our expansion has been driven by a continuous commitment to enhancing industry-specific capabilities and diversifying our portfolio of investment solutions.

Over the past two and a half decades, CAL has established itself as a leading full-service investment bank in Sri Lanka with a growing reputation in frontier

markets. Our core competencies lie in the origination, trading and investment of debt and equity securities in which we have systematically refined our expertise. This enduring trajectory reflects our steadfast dedication to delivering superior execution, producing insightful and pioneering research, and developing innovative financial products tailored to meet the evolving needs of our clients.

As we commemorate 26 years of service, CAL remains firmly focused on its aspiration to be the foremost provider of capital market solutions across emerging and frontier economies.

OUR VISION



To be the leading capital markets solutions provider in frontier markets

OUR MISSION



To foster the development of capital markets as an efficient alternative to fulfill the banking needs of our customers

Our Strengths

The CAL Group comprises a Licensed Primary Dealer, a Licensed Stockbroker, an Asset Management Company and dedicated Corporate Finance, Advisory and research divisions. By leveraging the collective strengths and synergies across these entities, CAL delivers integrated, client-centric solutions tailored to diverse financial needs. This strategic integration has positioned CAL as a leading and respected investment banking group within Sri Lanka's capital markets landscape.

Capital Alliance PLC, the Group's Licensed Primary Dealer, was listed on the Colombo Stock Exchange (CSE) on 15th December 2021. Furthermore, the CAL Group had expanded into Bangladesh through the establishment of CAL Securities Limited, Bangladesh, CAL Investments Limited, Bangladesh and CAL Bangladesh Limited; in UAE through CAL Investment Consultancy FZ-LLC, and in Singapore through CAL Global PTE LTD.



OUR CORE VALUES

INTEGRITY

We only sell to our clients what we would sell to our family.

FAIRNESS

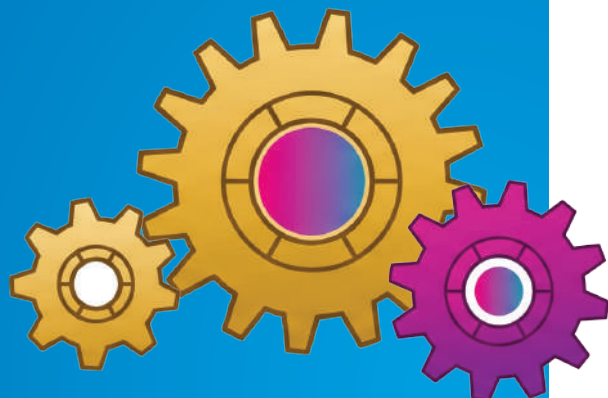
We hire for attitude and reward performance.

TEAMWORK

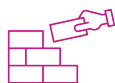
We are a star team, not a team of stars.

DYNAMISM

We are always only two years away from irrelevance.



OUR JOURNEY


2000-2003

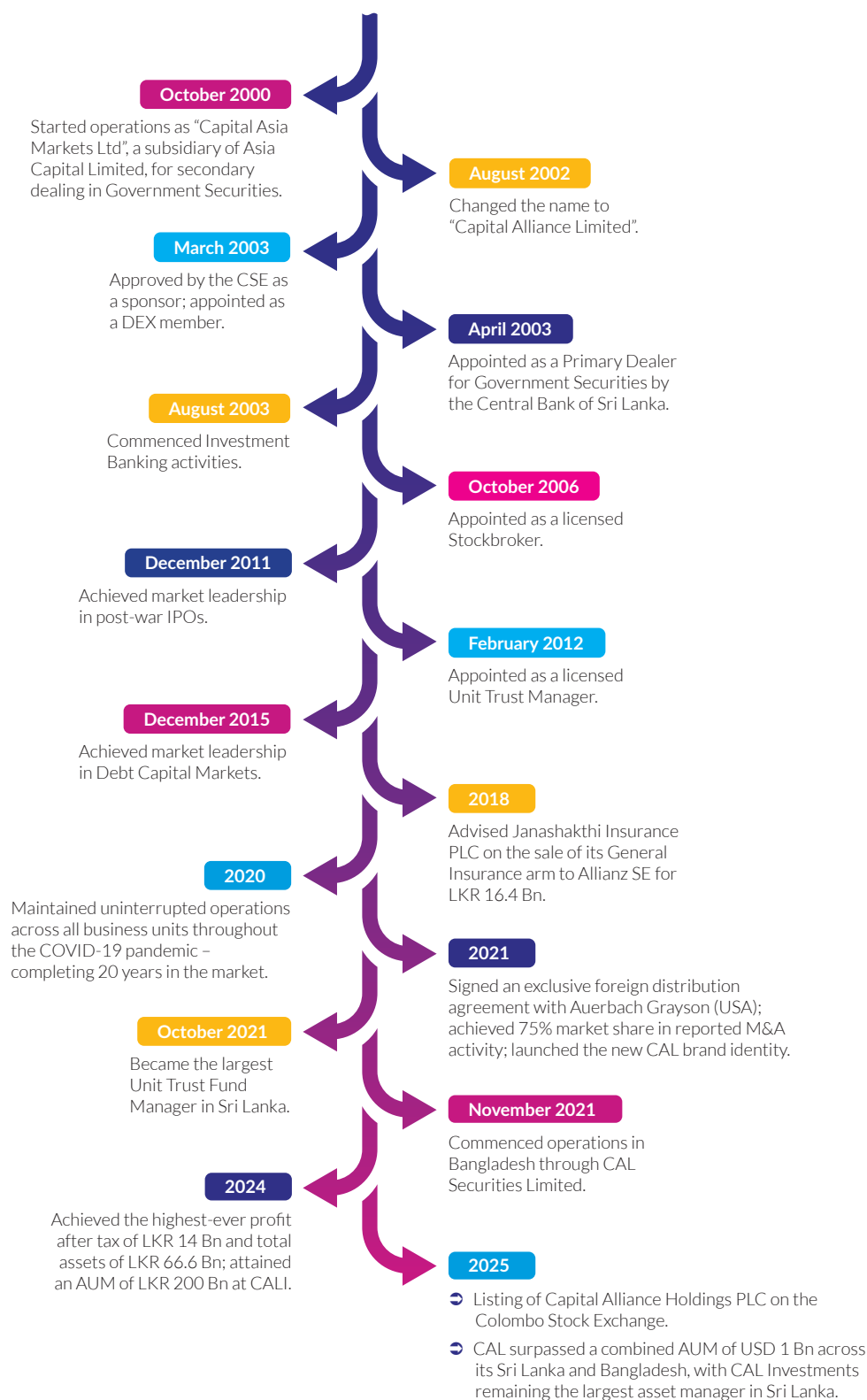
LAYING THE FOUNDATION


2006-2018

BUILDING MARKET LEADERSHIP


2020-2025

ENGINEERED FOR GROWTH



OUR MARKETS AND SERVICES

Since its inception in 2000, the CAL Group has established a strong presence in Sri Lanka's capital markets. In 2021, the Group marked a significant milestone in its growth strategy by expanding internationally. This included the establishment of CAL Securities Limited, followed by the formation of CAL Investments Ltd and CAL Bangladesh Ltd in Bangladesh, the CAL Investment Consultancy FZ-LLC in the United Arab Emirates, and later on in 2025 CAL Global PTE. Ltd in Singapore. These strategic ventures reflect the Group's commitment to broadening its regional footprint while advancing toward its overarching objective of becoming the premier provider of capital market solutions in frontier markets.

OUR GLOBAL PRESENCE

Head Office – Sri Lanka

Capital Alliance Holdings PLC

6th Floor, M2M Veranda Offices,
No. 34, W A D Ramanayake Mawatha,
Colombo 02, Sri Lanka

UAE Office

CAL Investment Consultancy FZ-LLC

A1-206A, Building No. A1,
Al Hamra Industrial Zone-FZ, RAK,
United Arab Emirates

Singapore Office

CAL Global PTE. Ltd

No 8, Cross Street,
#24-03, Manulife Tower,
Singapore

Bangladesh Office

CAL Securities Limited CAL Investments Limited CAL Bangladesh Limited

Navana FS Cosmo Tower,
Floor No. 4th & 5th,
Plot No. 4/B, Road No. 94,
Gulshan-2, Dhaka-1212, Bangladesh



OUR OFFERINGS

Capital Alliance PLC

Our Offerings

Primary Dealing in Government Securities

- Treasury Bills
- Treasury Bonds

Secondary Market Trading in Government Securities

- Treasury Bills
- Treasury Bonds
- Repurchase and Reverse Repurchase Agreements on Government Securities

Capital Alliance Partners Limited

Our Offerings

Corporate Finance and Advisory Services

- Handling of Initial Public Offerings (IPOs) & Right Issues
- Handling Debt Financing & Structuring
- Handling Equity Financing
- Handling Mergers and Acquisitions
- Valuations
- Sell-Side Advisory / Buy-Side Advisory

Capital Alliance Investments Limited

Our Offerings

Asset Management – Unit Trust Funds

- CAL Fixed Income Opportunities Fund
- CAL Corporate Treasury Fund
- CAL High Yield Fund
- CAL Income Fund
- CAL Investment Grade Fund
- CAL Medium Risk Debt Fund
- CAL Quantitative Equity Fund
- CAL Gilt Fund
- CAL Gilt Trading Fund
- CAL Money Market Fund
- CAL Balanced Fund
- CAL Islamic Money Market Fund
- CAL Five-Year Open-Ended Fund
- CAL Five-Year Close-Ended Fund
- CAL Three-Year Closed End Fund

Private Wealth Management (PWM)

Capital Alliance Securities (Private) Limited

Our Offerings

Stock Brokering

CAL Securities Limited, Bangladesh

Our Offerings

Stock Brokering

CAL Investments Limited, Bangladesh

Our Offerings

Corporate Finance and Advisory Services

CAL Investment Consultancy FZ-LLC

Our Offerings

Investment Holdings

Investment Consultancy

CAL Bangladesh Limited

Our Offerings

Financial Consultancy

Management Services

CAL Global PTE. Ltd, Singapore

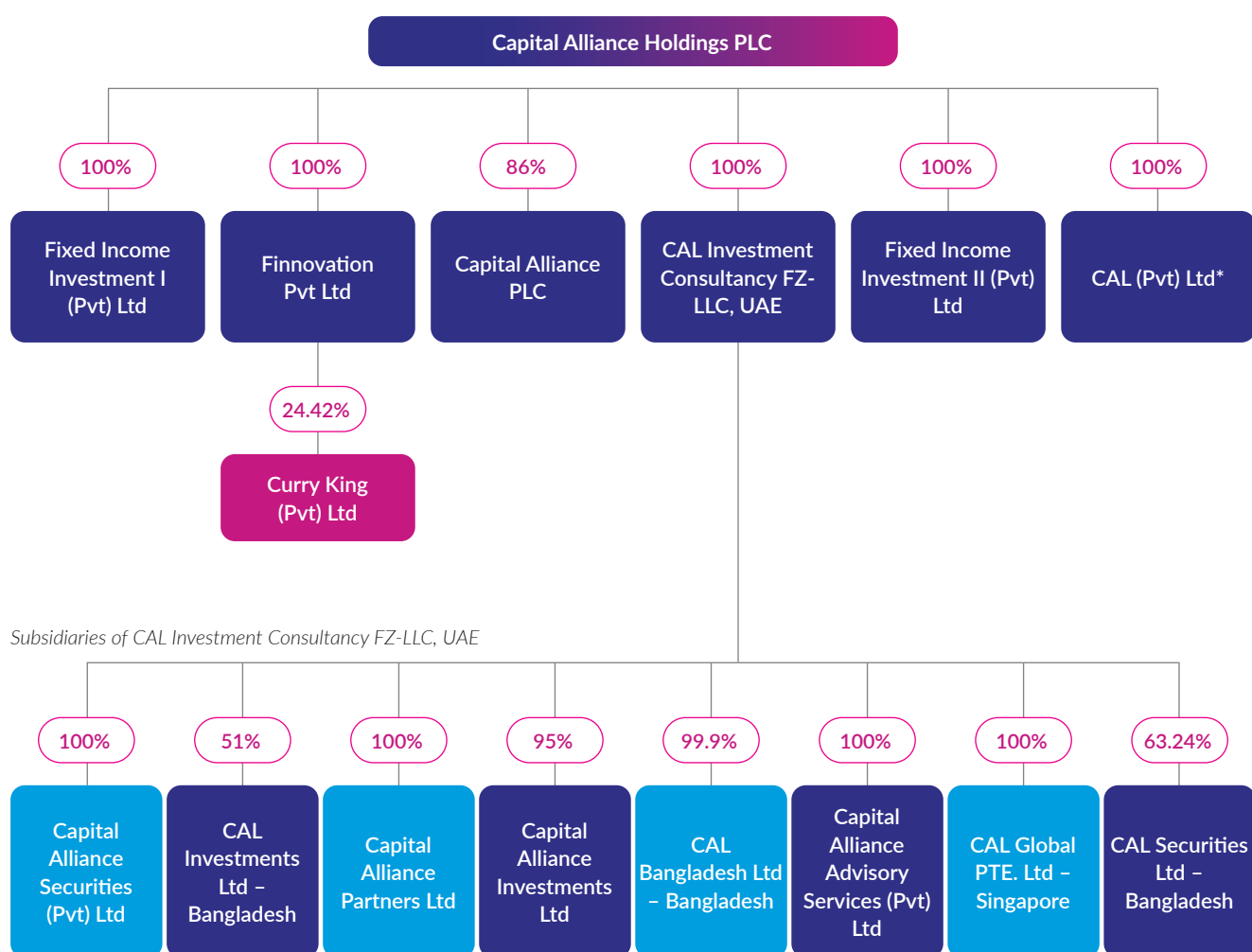
Our Offerings

Investment Holdings

Investment Consultancy

GROUP STRUCTURE

CAPITAL ALLIANCE GROUP STRUCTURE



* Formerly known as FipBox (Pvt) Ltd.

FINANCIAL HIGHLIGHTS

For the Year	GROUP			COMPANY		
	2026 Rs.	2025 Rs.	Change %	2026 Rs.	2025 Rs.	Change %
Income	14,979,285,433	17,076,496,853	-12%	4,226,549,147	4,874,452,117	-13%
Interest Income	9,684,051,123	9,336,579,641	4%	16,653,359	4,020,806	314%
Interest Expense	(6,796,632,446)	(5,968,794,003)	-14%	(32,284,918)	(31,576,797)	-2%
Net Interest Income/ (Expense)	2,887,418,677	3,367,785,638	-14%	(15,631,559)	(27,555,991)	43%
Total Operating Income	7,958,419,555	11,049,243,416	-28%	4,194,264,229	4,842,875,320	-13%
Total Expenses	(3,743,188,551)	(4,422,807,733)	15%	(170,618,388)	(243,480,900)	30%
Operating Profit	4,215,231,004	6,626,435,683	-36%	4,023,645,841	4,599,394,420	-13%
Share of Profit from Equity accounted Investee (Net of Tax)	(18,738,133)	-	-	-	-	-
Profit Before Income Tax	4,196,492,871	6,626,435,683	-37%	4,023,645,841	4,599,394,420	-13%
Income Tax (Expense)	(1,499,572,838)	(2,398,615,379)	37%	(47,250,082)	(1,680,335)	-2712%
Profit for the year	2,696,920,033	4,227,820,304	-36%	3,976,395,760	4,597,714,085	-14%
Other Comprehensive Income / (Expense) for the year	(36,732,863)	(159,191,334)	77%	(2,107,254)	903,034	-333%
Total Comprehensive Income for the year	2,660,187,169	4,068,628,970	-35%	3,974,288,505	4,598,617,119	-14%
At The Year End						
Assets						
Financial Assets	103,013,655,721	111,313,378,668	-7%	7,549,981,921	3,772,551,169	100%
Other Assets	927,457,495	457,944,731	103%	2,089,162,464	1,986,451,628	5%
Total Assets	103,941,113,216	111,771,323,399	-7%	9,639,144,385	5,759,002,797	67%
Liabilities						
Financial Liabilities	78,179,080,794	86,503,417,284	-10%	592,132,459	182,707,841	224%
Other Liabilities	3,742,325,123	4,673,404,928	-20%	74,741,447	81,263,638	-8%
Total Liabilities	81,921,405,917	91,176,822,212	-10%	666,873,907	263,971,479	153%
Equity						
Equity Attributable to Equity Holders of the Parent Company	19,915,766,005	18,065,589,266	10%	8,972,270,478	5,495,031,318	63%
Non-Controlling Interests	2,103,941,294	2,528,911,921	-17%	-	-	-
Total Equity	22,019,707,299	20,594,501,187	7%	8,972,270,478	5,495,031,318	63%
Earnings per Share (EPS) (Rs.)	1.18	1.88	-	1.94	2.40	-
Net Assets Value per Share (Rs.)	9.61	9.44	-	4.33	2.65	-
Cost to Income Ratio (%)	47.03%	40.03%	-	4.07%	5.03%	-
Return on Equity (ROE) (%)	12.66%	21.08%	-	54.97%	109.03%	-
Return on Asset (ROA) (%)	3.91%	7.43%	-	52.26%	105.08%	-
Debt to Equity (Times)	3.51	4.18	-	0.06	0.02	-
Interest Yield (%)	9.04%	11.35%	-	0.29%	-	-
Interest Borrowing Cost (%)	8.25%	9.64%	-	8.33%	34.57%	-
Interest Spread (%)	0.78%	1.72%	-	-8.04%	-34.57%	-
Interest Cover (Times)	1.62	2.11	-	125.63	146.66	-



MANAGEMENT DISCUSSION & ANALYSIS

*Every gear we turn is
calibrated for growth.*

CHAIRMAN'S REVIEW

FROM RECOVERY TO TRANSFORMATION: NAVIGATING OPPORTUNITY IN AN ERA OF RENEWED CONFIDENCE

The financial year 2025/26 has been one of remarkable contrasts for Sri Lanka, a year defined by genuine momentum on one hand, and grave reminders of our vulnerabilities on the other. As the nation moved beyond the stabilisation phase that characterised the prior period, attention turned toward the considerable opportunities that a recovering economy, improving investor confidence, and a more stable macroeconomic environment now present.

The macroeconomic narrative entering the year was encouraging. Year-on-year GDP growth reached 5.0 percent in 2025, while core inflation stood at 2.7 percent in December 2025 and foreign currency reserves rose to US\$6.8 billion. The figures reflect a broader restoration of confidence in Sri Lanka's economic standing, both regionally and globally. The Central Bank's disciplined monetary stewardship, combined with continued adherence to the IMF's Extended Fund Facility, provided the policy predictability that businesses and investors had long sought.

Debt restructuring, which had been a defining challenge for years, reached a critical resolution during this period. A landmark agreement with bondholders,

achieving 98 percent participation, served as a strong signal of investor confidence, and subsequent negotiations with bilateral creditors advanced in a constructive direction. The completion of successive IMF program reviews, with Sri Lanka meeting the majority of fiscal and monetary targets, further reinforced the country's renewed credibility.

The real economy responded with vigour. Tourism, one of Sri Lanka's most vital foreign exchange earners, closed the year with visitor arrivals above pre-pandemic levels, reaching approximately 2.33 million foreign visitors. This achievement reflects not only the return of global traveller confidence but also the sustained investment in destination branding, hospitality infrastructure, and regional connectivity. Industrial output surged 5 percent in the fourth quarter of 2025, while the agriculture sector and services sectors also expanded, pointing to a broadening of the growth base beyond a single engine.

Interest rate policy during the year called for a steady hand from the Central Bank. The Overnight Policy Rate was held at 7.75% throughout the period, unchanged since the cut from 8.50% in May 2025, with reviews in January and March 2026

both leaving rates in place. Inflation offered little reason to move, with the headline rate at 2.2% year-on-year in March 2026, still well below the 5% target. The decision to hold reflected the need to balance subdued domestic price pressures against external risks, including the impact of the Middle East conflict and the 35% rise in domestic fuel prices.

The government securities market offered a picture of continuity during the year. Yields held broadly steady, reflecting the more accommodative policy stance and the gradual return of macroeconomic confidence. Benchmark two-year and five-year Treasury bonds traded in a contained range through early 2026, with Treasury bill yields edging higher towards year-end as private credit growth recovered. Secondary market activity remained healthy, supported by sustained institutional participation, and foreign investors returned to the rupee bond market in meaningful size, with net inflows of approximately Rs. 71.5 billion during 2025. The year was not without volatility; tariff-related developments in April prompted a period of outflows, and foreign participation into early 2026 continued to reflect sensitivities to currency movements and global risk sentiment. Overall, the direction was encouraging, pointing to a gradual deepening of investor engagement with Sri Lanka's sovereign debt market.

Capital markets responded to this optimism with comparable momentum. The Colombo All-Share Price Index grew by 33.2 percent year on year, reaching an all-time high of 23,992.11 points in January 2026. The CSE All-Share Index has returned nearly 200 percent in US dollar terms since the start of 2023, significantly outperforming major regional and global markets. The combination of macroeconomic stabilisation, earnings recovery, attractive valuations, and restored political stability created conditions for a re-rating of Sri Lankan equities that would have seemed highly unlikely just three years prior. CAL was well-positioned to benefit from and

contribute to this environment, guiding clients through a market cycle with considerable complexity and considerable reward.

The exchange rate remained broadly stable during the financial year, supported by a favourable balance of payments position and continued engagement with the IMF Extended Fund Facility. The rupee depreciated by 5.6% against the US dollar in 2025 and has remained largely steady in the early months of 2026. Sustained remittance inflows, recovering tourism earnings, and net foreign exchange purchases by the Central Bank contributed to a current account surplus for the second consecutive year as at December 2025, reinforcing the external position. Energy-related price pressures arising from ongoing global developments may weigh on the exchange rate in the period ahead.

Yet the year also delivered a powerful reminder that resilience cannot be taken for granted. Cyclone Ditwah, which struck the island in late 2025, inflicted significant damage on agriculture, infrastructure, and key export industries including tea and garments. The outlook for 2026 has moderated, with reconstruction costs estimated at approximately \$2 billion and analysts projecting a contraction of 0.5 to 0.7 percent attributable to the storm's direct impact. The Central Bank of Sri Lanka now forecasts growth of four to five percent for 2026, weighing reconstruction tailwinds against the headwinds of rising inflation and disrupted production. This episode underscored, with unmistakable clarity, that Sri Lanka's path to long-term prosperity must be accompanied by a serious investment in climate resilience, disaster preparedness, and diversified economic foundations.

Structural challenges remain firmly on the agenda. While recent growth is strong, inflation low, and external inflows robust, food prices have remained high, and reserve accumulation has slowed. Poverty rates, while improving from crisis-era peaks, remain elevated in certain

provinces. The labour market, though more active, continues to grapple with youth unemployment and the need for skills alignment in an increasingly digital economy. Public institutions are rebuilding trust with citizens a task that demands consistent delivery, transparency, and institutional accountability over the long term.

Against this complex backdrop, CAL has remained a steadfast partner to our clients, to the capital markets, and to the broader national development agenda. During the year, we deepened our capabilities in investment banking, asset management, and advisory services, supporting transactions across a market that offered both significant opportunity and notable volatility. We continued to promote financial inclusion, recognising that the depth and resilience of Sri Lanka's capital markets depend on widening participation among individual savers, institutional investors, and the entrepreneurial sector alike. Our digital infrastructure investments yielded results, enabling more responsive, data-driven client service and more robust risk management.

We also invested meaningfully in our people. Leadership development, specialised training, and a culture of continuous learning have ensured that CAL remains a home for Sri Lanka's finest financial talent. In a market moving at increasing speed, the quality of our team is our most enduring competitive advantage.

Looking ahead to the remainder of 2026/27 and beyond, our ambition remains clear. Sri Lanka stands at an inflection point the foundations have been laid, the credibility has been rebuilt, and the opportunity is real. But transformation of this scale demands more than favourable macroeconomic conditions. It demands institutions willing to take long views, advocate for sound policy, and channel capital toward its most productive and equitable uses. CAL is committed to being that institution. We will continue to invest in the infrastructure of a deeper,

more inclusive capital market one that serves not only sophisticated investors but the full breadth of Sri Lankan society.

We enter the year ahead with clear eyes about the challenges: global trade uncertainty, post-cyclone reconstruction demands, and the ongoing need to translate macro recovery into household-level improvement. But we enter it also with genuine confidence, grounded in what this country has already achieved and in our own capacity to contribute to what comes next. The values that have guided CAL from its beginning: integrity, fairness, dynamism, and teamwork remain our compass as we navigate this next and most consequential chapter.



Mr. D. A. De Zoysa
Chairman

31st August 2026

CEO'S REVIEW

BUILDING PLATFORMS FOR GROWTH: FUSING INSIGHT, TECH & CAPITAL TO CREATE A GLOBALLY SCALABLE VALUE PROPOSITION

Dear Stakeholder,

I am pleased to present the Capital Alliance Holdings PLC annual report for the financial year 2025/26 — our first full year as a company listed on the Colombo Stock Exchange. The Group recorded a net profit of LKR 2.7Bn for the year, of which LKR 2.4Bn is attributable to the shareholders of CALH, translating to earnings per share of LKR 1.18. A strong performance across all business units for the first eleven months of the year was partially undone by the outbreak of war in Iran, with a significant portion of the trading profits recorded over the course of the year reversed in March following the onset of the conflict. Notwithstanding the final month, FY26 was a year in which all of CAL's business lines were profitable, in which our fee-based businesses grew strongly, and in which your company made tangible progress on each of its three strategic growth pillars.

In previous letters, I have spoken about our international aspirations. We continue our push in this direction, as we seek to unlock the collective value of regional frontier economies with a combined GDP of over USD 1 trillion. This year's cover represents the work we are doing towards the second of our growth pillars — unlocking the value of our balance sheet. In frontier economies

such as ours, the products we want to invest in often don't exist. Unlocking that value therefore involves manufacturing product. We see our office as a factory floor, and our people as craftsmen, creating financial products which offer differentiated payoff structures. While the primary aim of this is to improve ROE as a direct result of making profitable investments through the CAL balance sheet, it also plays an important role in developing markets that our fee based businesses can operate in, thereby increasing CAL's fee-based revenue. Further, the development of these markets allows us to deploy capital outside 'vanilla' long-only strategies — which would help us secure high ROEs across all parts of the interest rate cycle, rather than only when rates decline. All this will take time. Our drive to innovate will run in parallel with workstreams aimed at building robust risk management and governance frameworks. But the benefits are accretive and real. We feel strongly that the result will be a significant, structural improvement to CAL's performance over the coming years.

I hope this report gives all our stakeholders some perspective on CAL's long term strategic positioning. The work being done by the CAL team today will lay the foundations for tomorrow's success.

THE MACROECONOMIC LANDSCAPE

Sri Lanka's domestic outlook is strong. The economy grew by 5.0% in 2025, its second consecutive year of expansion, and it did so alongside, rather than at the expense of, macroeconomic discipline. The Government recorded a primary surplus of 5.4% of GDP in 2025 — up from 2.2% in 2024, and more than double the target under the IMF programme — as Government revenue rose to 16.6% of GDP. The benefits of the recent legislative changes to make the Central Bank independent are showing. Gross official reserves stood at USD 7.0Bn as of end March 2026. A year ago I wrote that an extended period of prudent monetary and fiscal policymaking had the potential to transform the economic landscape of Sri Lanka. The numbers for 2025 bear this out. With continued economic policy discipline, we believe a long term growth trajectory of 5% is possible.

Against this backdrop, the war in Iran that began at the end of February 2026 is a major short term headwind. It is likely to impact growth and economic wellbeing in Sri Lanka in the short term. But the economy remains healthy and balanced. The supply chain disruption caused by the recent geopolitical tensions will end — either when the war ends or when supply chains realign. Sri Lanka stands to revert to its long term growth trajectory.

In Bangladesh, the general election of February 2026 delivered a decisive outcome, with the BNP securing a two-thirds majority in Parliament. The new Government appears to be serious about market friendly, business friendly policies that will be good for Bangladesh's economy. Bangladesh is also emerging from a period of monetary tightening, in which the policy rate was raised to 10% and held there for close to two years to bring inflation under check. A year ago I wrote that this tightening cycle had created the conditions for lower inflation, a stable currency and the potential for lower interest rates. That is now playing out. Inflation, which peaked at 11.7% in July 2024, had eased to 8.7% by March 2026; the Taka depreciated by less than 1% against the US dollar over the twelve months to

March 2026; and foreign reserves have been rebuilt to close to USD 30Bn. With inflation well off its peak and the currency stable, Bangladesh Bank has the space to ease policy and pursue a pro-growth agenda — and at the time of writing it has begun to do so, cutting its policy rate in July 2026 for the first time in six years. This points to a strong growth outlook for Bangladesh in the coming quarters, and to capital markets gearing for growth off a historically low base.

BUSINESS HIGHLIGHTS

All four of CAL's business lines — primary dealing, stockbroking, asset management and investment banking — were profitable in FY26, for the second consecutive year. Group profit before tax was LKR 4.2Bn, on total operating income of LKR 8.0Bn.

CAL's revenue broadly falls into two categories: proprietary trading and fee-based income. Trading gains are lucrative over the long term but volatile in the short term. CAL's primary dealing business, which records the bulk of its income from trading gains, recorded a profit before tax of LKR 2.9Bn, against LKR 6.4Bn in FY25. This reduction accounts for more than the entire decline in Group profit — with the rest of the business having recorded significant growth in the year under review.

Fee based income grew by 39.2% to LKR 3.5Bn, from LKR 2.5Bn in FY25, and now accounts for 44.7% of the Group's total operating income, up from 23% a year ago. Every one of our fee businesses grew: fee income from stockbroking rose by 67% to LKR 1.4Bn, from asset management by 31% to LKR 1.8Bn, and from investment banking by 79% to LKR 265Mn. Fee based income has lower volatility. As it grows as a share of CAL's overall revenue, we will see lower variance in the Group's results over time.

A highlight of the year in investment banking was CAL Partners' role as exclusive transaction advisor to DFCC Bank PLC on its acquisition of Standard

Chartered Bank's wealth and retail banking business in Sri Lanka — a landmark transaction in Sri Lanka. Deal volumes were healthy in both Sri Lanka and Bangladesh, with several large transactions in the pipeline for FY27.

CAL Investments became the largest asset manager in Sri Lanka during the year, with assets under management surpassing USD 1Bn, and recorded a profit before tax of LKR 954Mn. In the final quarter we introduced CAL's first Sharia compliant product — a money market unit trust fund — which attracted close to LKR 1Bn in AUM within a short period of launch. It is the first in a line of Sharia compliant products we intend to bring to market in Sri Lanka and, in time, Bangladesh.

Stockbroking had an outstanding year. The stockbroking segment recorded a profit before tax of LKR 820Mn, more than double the LKR 349Mn recorded in FY25. In Sri Lanka, CAL Securities consolidated its position among the largest stockbrokers on the CSE, in a year in which the market reached record highs. In Bangladesh, CAL Securities Bangladesh — which commenced operations only in 2023 — has grown to rank in the top quintile of stockbrokers in the country. To have achieved this as a late entrant is a credit to the team.

The CAL Portal crossed 80,000 users during FY26 — double the number reported a year ago. All of the intellectual property is ours, with the systems developed in-house. FY26 also saw the establishment of CAL Global Pte Ltd in Singapore, which will act as a key distribution hub for CAL's transactions, connecting our frontier market clients with large pools of global capital.

CAL's balance sheet remains a strategic strength of our business. The Group's total equity stood at LKR 22.0Bn as at 31st March 2026, on total assets of LKR 103.9Bn. Net asset value per share was LKR 9.61. Our IPO in May 2025 added LKR 1.6Bn in fresh capital to the Group.

STRATEGIC DIRECTION

CAL's purpose is to create prosperity for the communities we operate in, by helping drive the development of capital markets in frontier economies. Our strategy for delivering on that purpose rests on three growth pillars, and it is worth setting out where we stand on each.

The first is overseas expansion. Our ambition is to become a bridge across frontier markets, connecting frontier economies with global capital in a way no one else does. Bangladesh, where we commenced operations in FY22 and FY23, is now a business of real scale, with 50 employees on the ground and a solid reputation for excellence. CAL Global in Singapore, alongside our existing presence in the UAE, gives us the holding and distribution infrastructure to take frontier market transactions to global investors. And we continue to look beyond Sri Lanka and Bangladesh, having identified an addressable market with a combined population of over 750 million people and a combined GDP of over USD 1 trillion in which CAL aims to establish an operational presence.

The second is building a balance sheet based business, which I have described above. We took our first meaningful steps in FY26, deploying capital into corporate debt and strategic investments outside the primary dealing book, and we expect proprietary activity across multiple asset classes to make up a larger portion of CAL's income in future periods.

The third is platform solutions. We are leveraging technology to go retail — building a scalable digital solution that democratises access to investment banking products across the frontier markets we operate in. The growth of the CAL Portal to over 80,000 users is the clearest evidence that this is working, and the roll-out of the platform to Bangladesh remains a key priority. Underpinning all three pillars is insight. Our teams have made significant headway in organising CAL's extensive proprietary data, paving the way for statistical macro modelling using artificial intelligence.

CEO'S REVIEW

CAL is a knowledge business built around our people and their competencies, and we continue to be a magnet for talent. As we expand internationally, we are deliberately building a more diverse and multicultural team, looking beyond Sri Lanka for the best people. Our values of integrity, dynamism, fairness and teamwork remain the foundation on which everything else is built.

LOOKING AHEAD

I am positive about the future, despite the short term headwinds created by geopolitical instability. CAL is well positioned, with a clear direction based on our three growth pillars. As they come to fruition — with Bangladesh turning profitable, the CALH balance sheet business delivering significant profits and our technology platforms unlocking growth — CAL stands to do well in the quarters and years to come.

I would like to take this opportunity to thank all our stakeholders. Our shareholders, who have placed their confidence in us. Our Board, who have offered steadfast support to me and my team, dispensing sound advice and invaluable strategic guidance through a volatile final quarter. Our regulators, for their steady hands in a volatile year and for their openness to new products and new ways of doing things. Our customers, who give us a reason to exist, and continue to place their trust in us. And perhaps most importantly, the team at CAL, who time and again find ways to turn challenges into opportunities, and volatility into profits. We look forward to the journey ahead.



Mr. K. P. Mannakkara

Group Chief Executive Officer

31st August 2026

OUR BUSINESS MODEL

The CAL operational framework articulates the manner in which we generate value by strategically deploying capital and leveraging it across our business operations. This in turn enables us to positively influence our stakeholders, broader society and the environment. We conduct ongoing assessments of the external landscape to identify emerging risks and opportunities relevant to the CAL Group. These insights inform necessary refinements to our business model and strategic direction. As responsible corporate stewards, we are committed to continuously advancing our processes and technologies to minimise any potential adverse social or environmental impacts resulting from our activities.

Within the highly competitive investment banking landscape, CAL's business model is strategically structured to generate and deliver value through a broad spectrum of financial services and strategic advisory solutions. We operate at the confluence of capital markets, financial advisory and corporate finance, catering to a diverse client base that includes corporations, institutional investors and Private Wealth Management clients.

ASSET MANAGEMENT

From Unit Trusts to Private Wealth Management solutions tailored for both individual and corporate investors, our diverse range of investment offerings serves a broad client base including family-owned enterprises, financial institutions and high-net-worth individuals. Through a personalised approach to fund management, we strive to deliver an optimal balance of return, risk and liquidity aligned with the unique objectives of each client.



convenience throughout the entire trade lifecycle. By leveraging CAL's comprehensive research capabilities and competitive online commission rates, clients can effectively buy and sell shares of publicly listed companies on the Colombo Stock Exchange that maximises both value and market access.

CORPORATE ADVISORY AND GLOBAL MARKETS

CAL offers expert financial advisory services across a broad spectrum, including mergers and acquisitions (M&A), equity and debt capital raising, corporate restructuring and the formation of strategic partnerships. Our deep advisory expertise enables clients to navigate complex financial transactions with confidence and effectively realise their strategic objectives. While our investment banking practice has a strong focus on family-owned businesses, this relationship-driven ethos also lends itself to serving institutional clients, high-net-worth individuals and retail investors ensuring tailored and long-term value creation across all client segments.



these risks are identified, monitored and managed consistently across the Group. This integrated approach allows CAL to pursue commercial opportunities with confidence, ensuring that the pursuit of growth and diversification is never divorced from the prudent stewardship of capital, liquidity and client trust that underpins our long-term sustainability.

RESEARCH AND INSIGHTS

CAL's research capabilities deliver comprehensive market intelligence, in-depth economic analysis and specialised sector reports. This critical information equips clients with the insights necessary to make well-informed investment decisions and to seize emerging opportunities across global markets.



TREASURY SOLUTIONS

CAL Treasuries plays a pivotal role in the financial markets by facilitating the trading of government securities and promoting market liquidity. Our business model is strategically positioned to serve as a key intermediary between the government and financial institutions, thereby contributing to the efficiency of capital markets and broader economic stability. We remain committed to enhancing our primary dealer operations by leveraging technological innovations, broadening our client base and continuously deepening our market expertise. CAL Treasuries will continue to reinforce its position as a trusted partner to government and institutional investors, actively supporting the stability and growth of financial markets and the overall economy.



RISK MANAGEMENT

Effective risk management is embedded at the core of CAL's business model, ensuring that value creation across our four business lines is pursued within a disciplined, Board-approved risk appetite. Each business line carries a distinct risk profile — market and interest rate risk within Treasury's primary dealing operations, credit and settlement risk within Stock Broking's credit lending activities, and operational, cyber and reputational risk across our Asset Management and Corporate Advisory functions — and our Enterprise Risk Management (ERM) framework, operationalised through the Three Lines of Defence model, ensures that



CLIENT-CENTRIC APPROACH

At the core of CAL's business model is a client-centric philosophy that prioritises the cultivation of long-term relationships founded on trust, transparency and tailored services. CAL is dedicated to thoroughly understanding each client's distinct needs and providing bespoke solutions that are aligned with their financial objectives and risk appetite.



STOCK BROKING

The CAL team comprises seasoned professionals who bring a blend of expertise and market insight. It enables the proactive monitoring of capital markets and the delivery of timely, data-driven intelligence to our clients. Our state-of-the-art electronic trading platform offers clients a seamless and efficient trading experience providing both control and



REGULATORY COMPLIANCE

Operating within a rigorously regulated environment, we consistently comply with stringent regulatory standards as well as industry best practices. CAL's comprehensive compliance framework is designed to ensure full adherence to all regulatory obligations, protect client interests and uphold the integrity of the markets in which we operate.



MANAGEMENT DISCUSSION & ANALYSIS

The 2025/26 financial year tested the durability of Sri Lanka's recovery against a materially harsher external backdrop, and the recovery held. Globally, the year was defined by two shocks: the introduction of sweeping US reciprocal tariffs in April 2025, which initially set a 44% rate on Sri Lankan goods before moderating to 20%, and the closure of the Strait of Hormuz in February 2026, which drove Brent crude from approximately US\$70 to a peak of US\$126 per barrel and led the IMF to trim its 2026 global growth forecast to 3.1%.

Domestically, the economy grew 5.0% in 2025 despite the human and economic toll of Cyclone Ditwah, inflation converged toward the Central Bank's 5% anchor at 2.2% by March 2026, and the policy rate held at 7.75% through year-end. The external account was the standout: record remittances of US\$8.08 billion, a third consecutive current account surplus, and gross official reserves rebuilt to US\$6.8 billion at end-2025, rising further in early 2026. Fiscal discipline underpinned all of it, with a primary surplus of 5.4% of GDP

more than doubling the IMF programme target and public debt falling from 119.2% to an estimated 102.4% of GDP. Yet the gains remain unevenly distributed — poverty stands at 24.5%, twice its 2019 level — and the risks ahead are those of reform fatigue, execution capacity and prolonged energy disruption rather than of imminent instability. Growth is expected to moderate to 3.1–3.5% in 2026, a slower but structurally sounder trajectory than the stimulus-driven expansion of the pre-crisis era.

OPERATING LANDSCAPE

1. GLOBAL ECONOMIC ENVIRONMENT

The 2025/26 period marks a shift in global economic conditions. Following several years of post-pandemic adjustment, supply chain realignment, and monetary tightening by major central banks, the global growth has slowed. Advanced economies have seen moderating output, while emerging markets and developing economies have recorded comparatively stronger growth, though structural weaknesses persist.

Trade policy uncertainty has increased, with geopolitical fragmentation altering supply chains and bilateral trade relationships. The conflict in the Middle East has pushed energy prices higher, increasing costs for import-dependent economies. Global inflation has eased from its recent peak but remains above target in several advanced economies, limiting the scope for monetary easing.

For Sri Lanka, the external environment presents both challenges and opportunities. Commodity prices remain below their 2022 peak, reducing the import bill, while services exports, particularly tourism, continue to support external earnings. Remittances from the overseas workforce remain a key source of foreign currency inflows and support the balance of payments.

2. SRI LANKAN SOCIO-ECONOMIC ENVIRONMENT

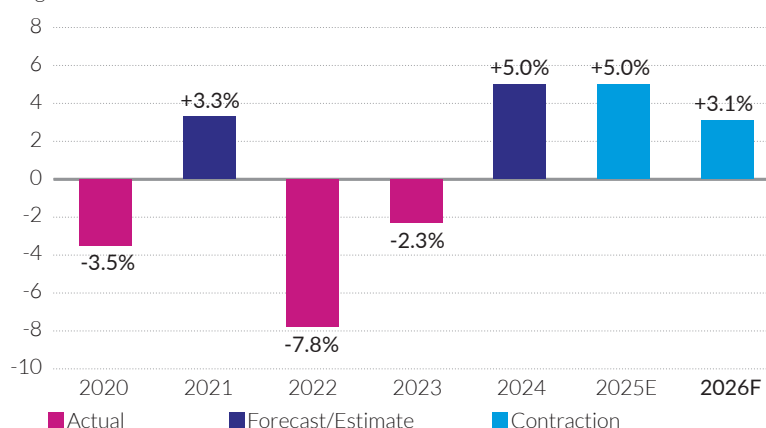
The story of Sri Lanka in 2025/26 is one of hard-won stabilisation evolving into cautious optimism. What was, just three years ago, an economy on the precipice of collapse, has transformed into a testament to what disciplined fiscal management, institutional credibility, and multilateral cooperation can achieve. The shadows of the 2022 sovereign default have not entirely lifted, but the trajectory is unambiguously positive.

2.1 Growth Performance

The story of Sri Lanka in 2025/26 is one of hard-won stabilisation evolving into cautious optimism. What was, just three years ago, an economy on the precipice of collapse, has transformed into a testament to what disciplined fiscal management, institutional credibility, and multilateral cooperation can achieve. The shadows of the 2022 sovereign default have not entirely lifted, but the trajectory is unambiguously positive.

Real GDP Growth Rate (YoY %)

% Change



Real GDP Growth Rate (YoY %) – 2020 to 2026 Forecast

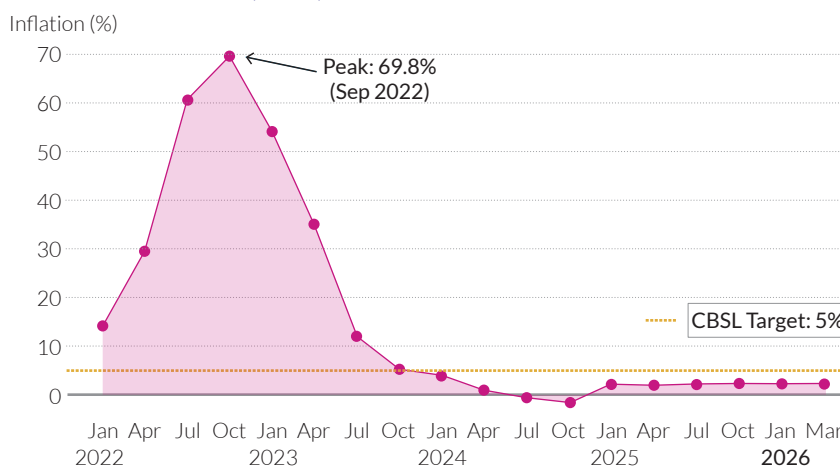
2.2 Inflation and Price Stability

Perhaps no single indicator better illustrates Sri Lanka's recovery than its inflation trajectory. From a peak of nearly 69.8% in September 2022, headline inflation compressed dramatically reaching negative territory (approximately -1.5%) in Q4 2024 before gradually recovering to the low single digits in 2025. By March 2026, the Colombo Consumer Price Index (CCPI) recorded 2.2% year-on-year, with upward pressure emanating from housing, utilities, and elevated fuel costs related to the Middle East situation.

The Central Bank of Sri Lanka (CBSL) has maintained a 5% inflation target as its guiding anchor. While inflation is below target at the time of writing, the CBSL projects a gradual convergence toward

5% by Q2 2026, as private credit growth and post-cyclone reconstruction spending feed through to domestic demand.

CCPI Headline Inflation (YoY %)



Inflation fell from a post-independence peak of nearly 70% in late 2022 to low single digits by 2024 a stabilisation achievement widely cited as central to Sri Lanka's recovery credibility.

3. IMF PROGRAMME AND STRUCTURAL REFORMS

The International Monetary Fund's Extended Fund Facility (EFF), approved in March 2023 for approximately USD 3 billion over four years, continues to serve as the institutional anchor of Sri Lanka's reform programme. Three consecutive reviews have been completed successfully, confirming that the government has met and in several cases exceeded its fiscal and monetary targets.

The programme's third review, completed in March 2025, noted that Sri Lanka's primary surplus of 2.2% of GDP in 2024 substantially exceeded the original target of 0.8%. This outperformance was driven by higher VAT revenues following rate reforms, and disciplined expenditure management.

However, the review also flagged areas requiring continued attention. Social protection spending lagged agreed thresholds, and electricity pricing reforms faced partial reversal under political pressure a reminder that fiscal

consolidation must be designed with equitable distribution in mind to sustain public support. In December 2025, the IMF approved emergency financing of approximately USD 205 million following Cyclone Ditwah to support disaster relief and reconstruction without derailing the medium-term fiscal framework.

4. FOREIGN EXCHANGE RESERVES: REBUILDING THE BUFFER

Reserve accumulation has progressed steadily over the past three years. Gross official reserves rose from 0.3 months of import cover at end-2022 to approximately 2.1 months by end-2023, and further to USD 6.1 billion by end-2024. Throughout 2025, reserves continued their upward trajectory, closing the year at USD 6.8 billion and subsequently surpassing the USD 7.3 billion mark by February 2026.

The Central Bank has limited foreign exchange sales to instances of disorderly market conditions. Activation of the People's Bank of China bilateral swap

facility (USD 1.4 billion) requires reserves to reach a threshold equivalent to three months of the previous year's imports.

5. SRI LANKA'S INTEREST RATE LANDSCAPE

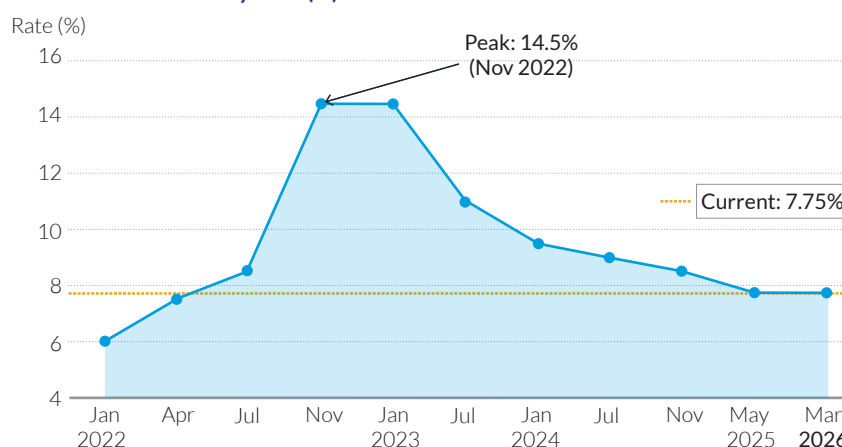
Interest rate policy in 2025/26 reflects the CBSL's effort to balance sustaining economic momentum with preserving hard-won monetary stability. Following the severe tightening cycle of 2022-2023 necessary to quell crisis-era inflation the CBSL progressively eased its policy stance as inflation retreated.

The benchmark overnight policy rate stands at 7.75%, unchanged since a 25-basis-point cut on 22 May 2025 from 8.00%. The March 2026 review held rates steady, citing geopolitical uncertainties from the Middle East conflict as a key consideration, while noting that headline inflation at 1.6% in February 2026 remained well below the 5% target. As a subsequent event, the CBSL raised the OPR by 100 basis points to 8.75% on 26 May 2026, outside the 2025/26 reporting period.

MANAGEMENT DISCUSSION & ANALYSIS

The prime lending rate stood at approximately 8.58–8.90% through 2025, having edged upward as private credit growth recovered. This normalisation of credit conditions signals the economy's momentum, though it also necessitates vigilance to ensure credit expansion does not undermine the external and monetary stability achieved under the programme.

CBSL Benchmark Policy Rate (%)



CBSL Benchmark Policy Rate (%) – January 2022 to March 2026

6. SECTORAL HIGHLIGHTS

6.1 Agriculture

Agriculture, which accounts for approximately 7–8% of GDP but employs a significant share of the rural labour force, demonstrated a robust recovery during the first nine months of 2025; however, the sector faced significant contraction in Q4 2025 due to the impact of Cyclone Ditwah, which necessitated emergency fiscal support. Food price surges of 30–200% for selected items in the immediate aftermath necessitated emergency government intervention and close monetary policy attention.

6.2 Technology and IT Services

Export revenue from the technology sector totalled USD 1,644 million for the 2025 calendar year, confirming the industry's role as a top-tier foreign exchange earner. Investment in digital infrastructure and human capital remains a priority for sustaining this growth.

6.3 Construction

A rebound in construction activity both private residential and public infrastructure has been a notable feature of the 2024/25 recovery. Post-cyclone reconstruction activity in 2026 is expected to provide a further short-term boost, though the sustainability of this contribution depends on the government's ability to execute on its elevated capital expenditure budget.

7. RISK MANAGEMENT IN AN EVOLVING LANDSCAPE

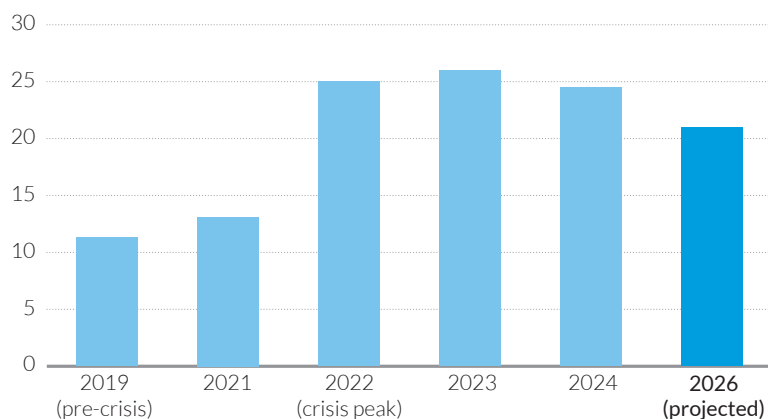
The risk landscape for Sri Lanka in 2025/26 is materially different from the crisis environment of 2022, but it is not without complexity. Several key risk dimensions warrant careful monitoring.

External risks include the escalation of the Middle East conflict, which has driven fuel import costs higher and introduced volatility into global energy and food

markets. Sri Lanka's structural dependence on fuel imports makes it exposed to commodity price shocks. Additionally, global trade policy uncertainty could weigh on export demand and supply chain stability.

Domestic risks include the danger of reform fatigue. Three consecutive years of fiscal consolidation, subsidy reform, and structural adjustment have placed meaningful burdens on households particularly the most vulnerable. Poverty remains at 24.5% of the population, twice the 2019 level and the urgency of translating macroeconomic recovery into household-level welfare improvement is paramount.

Institutional risks relate to the capacity to execute the ambitious capital expenditure agenda. Sri Lanka's track record of significant budget under-execution capital spending averaged just 3.0% of GDP against budgeted 5.0–6.0% between 2022 and 2025 underscores the need for procurement reform and strengthened monitoring frameworks.

Poverty Rate — Below \$3.65/day, 2021 PPP (%)

Sustained reform implementation, strengthened social protection, and disciplined monetary management are the three pillars upon which Sri Lanka's continued recovery most critically depends.

However, the challenges ahead are real. Poverty remains elevated. Structural reforms must be deepened, not merely maintained. The global environment offers no guarantee of benign tailwinds. And the lessons of 2022 that macro-economic imbalances left unaddressed can compound rapidly into crisis must be institutionally internalised, not merely rhetorically acknowledged.

Yet the foundation is stronger than it has been in years. Reserves are rebuilt. Inflation is anchored. Debt is restructuring. Growth is being restored. Sri Lanka's journey from crisis to credibility is not complete, but the 2025/26 period marks an important milestone on that path.

8. CONCLUSION

The period of 2025/26 stands as a compelling chapter in Sri Lanka's economic history. One defined not by crisis, but by the disciplined pursuit of stability and the careful cultivation of growth. The nation has demonstrated that even after a sovereign default, with the right combination of institutional commitment, international partnership, and policy coherence, recovery is not only possible but achievable faster than many had anticipated.

TREASURY SOLUTIONS - Capital Alliance PLC**OPERATING CONTEXT****Global Economic Environment**

2025/26 was defined by two shocks to the global economy. The first arrived on 2 April 2025, when the United States announced sweeping reciprocal tariffs — a 10% baseline on all trading partners, with surcharges of 34% on China and 20% on the European Union. Supply chains were disrupted, growth forecasts were revised downward, and business confidence fell sharply. The IMF, which had projected global growth at 3.3% for 2026 in its January 2026 World Economic Outlook Update, had already been revising figures for the year as trade headwinds mounted.

On 28 February 2026, in the final weeks of our fiscal year, joint U.S.-Israeli military strikes on Iran triggered the closure of the Strait of Hormuz — through which approximately 20% of global oil supply

and a fifth of all LNG transits daily. The IEA declared it the largest energy supply disruption in the history of the global oil market. Brent crude surged from approximately US\$70 per barrel to a peak of US\$126 per barrel. The IMF's April 2026 World Economic Outlook cut its 2026 global growth forecast to 3.1%, noting that absent the conflict, growth would have been revised upward to 3.4%. Global inflation is projected to tick upward in 2026 before resuming its decline in 2027.

For global fixed income markets, the war created the most difficult policy environment since 2022 — simultaneous growth deceleration and inflationary pressure. The U.S. Federal Reserve signalled it would hold rates at 3.50%–3.75% while monitoring the conflict's impact. J.P. Morgan Asset Management expects the 10-year U.S. Treasury to

hold in the 3.75%–4.25% range, with better opportunity at the front end of the curve. The medium-term case for fixed income, however, remains intact: if the conflict is contained, central banks will resume easing and bond yields will trend lower, particularly in emerging markets, where high real yields and improving fundamentals present compelling value.

Domestic Economic Environment

Sri Lanka entered 2025/26 with stabilising fundamentals and improving confidence and spent the year proving that the recovery was structural. The economy that had contracted by a cumulative 9.5% between 2021 and 2023 grew by 5.0% in 2025, with Q4 2025 recording 4.8% year-on-year growth, moderated by Cyclone Ditwah, which struck in late 2025 and killed 635 people, affected approximately 10% of the population, and generated an estimated US\$7 billion in reconstruction needs.

MANAGEMENT DISCUSSION & ANALYSIS

Inflation followed an unusual arc: deeply negative in H1 2025 (reaching -3.6% in Q1 due to electricity tariff reductions and falling global energy prices), before recovering to 2.1% by December 2025. CBSL projects a return to its 5% target by H2 2026. The Bank made one policy adjustment during the year, a 25-basis point cut which brought the OPR to 7.75% on 22 May 2025 – held through year-end, balancing growth support with inflation normalisation. As a subsequent event outside 2025/26, the CBSL raised the OPR to 8.75% on 26 May 2026.

The external sector was the year's standout story. Workers' remittances reached a record US\$8.08 billion in 2025 – up 22.8% from 2024. The current account recorded a surplus of US\$1.7 billion – the third consecutive year of surplus. Gross official reserves rose from US\$6.1 billion at end-2024 to US\$6.8 billion by end-December 2025 (CBSL). The rupee, which had been a defining symbol of crisis, remained orderly throughout, depreciating just 5.6% in 2025 before appreciating 0.2% year-to-date in early 2026.

Fiscal consolidation underpinned it all. The primary surplus reached 2.2% of GDP in 2024 – more than double the IMF EFF target – while public debt declined from 119.2% of GDP at end-2022 to an estimated 102.4% by end-2024. The IMF completed its Fourth EFF Review in July 2025, bringing total disbursements to approximately US\$1.74 billion. Most recently, a combined Fifth and Sixth Review mission was completed in April 2026 with a staff-level agreement reached – each review a continuing validation of Sri Lanka's reform commitments. Bilateral debt restructuring reached completion with Japan (US\$2.5 billion) and the Export-Import Bank of India (US\$931 million), removing the residual debt overhang that had clouded the sovereign's risk profile for years.

2025/26 also brought two external shocks. The U.S. tariff announcement – initially setting a 44% rate on Sri Lankan goods before moderation to 20% –

challenged the export sector. Sri Lanka absorbed it, supported by its reserve buffer, remittance strength, and IMF credibility. Then came the Iran war in the final weeks of the financial year. As a net energy importer, Sri Lanka faces a higher fuel import bill and inflationary pressure as a result of increase in oil prices. But it enters this challenge with US\$6.8 billion in reserves (as at end-December 2025), a current account surplus, a primary surplus exceeding IMF targets, and a banking system liquidity buffer of LKR 412.9 billion (CBSL, 6 March 2026) – buffers that would have been unthinkable two years ago.

Financial Market Environment

The domestic market environment was broadly constructive for primary dealer operations throughout 2025/26. Government securities yields trended lower across the curve: the 5-year Treasury bond rate fell from 10.40% to 9.80%, while the 1-year Treasury bill rate averaged 8.07% for the year. This yield compression – driven by improving sovereign risk perception and easing monetary conditions – translated directly into mark-to-market gains on fixed income portfolios and sustained demand for government securities from both institutional and retail investors.

Indicator	Open (Apr 2025)	Close (Mar 2026)
1Yr. T-Bill	8.22%	8.16%
5 Yr. T-Bond	10.40%	9.80%

The government's deliberate shift toward longer-tenor borrowing reinforced this environment: Treasury bill outstandings declined from LKR 4.10 trillion to LKR 3.14 trillion, while Treasury bond outstandings rose from LKR 14.60 trillion to LKR 15.57 trillion (March to December 2025) – a maturity extension strategy that elevated the role of primary dealers as essential intermediaries in price discovery and distribution. Banking system liquidity remained in deep surplus, peaking at LKR 412.9 billion by 6 March 2026, providing a continuously well-funded demand base for government securities and directly supporting secondary market activity.

Foreign investor participation in the government securities market also grew, with net inflows of US\$17 million in January 2026 and US\$53 million in February 2026 (CBSL), reflecting a sovereign risk profile being re-rated by international investors.

PERFORMANCE HIGHLIGHTS

CAL Treasuries concluded 2025/26 with a net profit of LKR 2.0 billion, supported by net interest income of LKR 2.4 billion and trading gains of LKR 3.0 billion. The declining yield environment, with the 5-year bond rate compressing by 60 basis points over the year, created favourable conditions for duration positioning and portfolio performance. The ASPI's strong 41.9% rally in the calendar year 2025 attracted some investor flows toward equities, but CAL Treasuries maintained its market presence through deepened client advisory, helping investors understand the continued role of fixed income in a recovering economy with an improving sovereign credit profile.

The Company expanded customer acquisition and engagement capabilities by incorporating Artificial Intelligence directly into the onboarding workflow. By leveraging AI-driven verification and automated data extraction, it significantly reduced registration friction, lowered turnaround times, and increased verification accuracy for new registrants. In line with the commitment to client-centric digital empowerment, CAL Treasuries also introduced a self-service feature on CAL Online that enabled customers to instantly download balance confirmation statements for past financial years for tax filing purposes. Previously a manual and labour-intensive process, this feature now gives clients instant access to essential documentation while freeing up valuable operational capacity. Driven by these advancements across our digital portal and the CAL Online mobile application, CAL Treasuries successfully onboarded over 3,700 new clients during the year under review with digital channels remaining the preferred mode of engagement for retail investors, who executed 1,800 transactions amounting to LKR 2.7 billion in total deal value.

FUTURE OUTLOOK

Sri Lanka enters 2026/27 better buffered than at any point since the 2022 crisis. Gross official reserves stand at US\$6.8 billion as at end December 2025 (the latest confirmed CBSL figure), the current account has recorded a surplus for three consecutive years, bilateral debt restructuring is substantially complete, and the IMF program, validated through the combined Fifth and Sixth Reviews in April 2026 remains firmly on track. The primary surplus, the trillion-rupee banking system liquidity buffer, and the rupee's orderly exchange rate trajectory are not simply positive data points; they are the structural foundations of a sovereign that has demonstrably rebuilt its capacity to absorb external shocks.

The global environment is more challenging than a year ago. The Iran conflict has complicated the inflation and monetary policy outlook across emerging markets, including Sri Lanka. The IMF projects a growth forecast of 3.1% for Sri Lanka which carry a downside risk if the energy disruption proves prolonged. These are real headwinds, and they are being actively monitored. But they are headwinds faced by a country carrying the strongest external buffers it has held in years. Sri Lanka has the reserves, the fiscal framework, and the institutional credibility to absorb this shock without being destabilised.

For the government securities market, the structural conditions that drove a constructive 2025/26 — a sovereign on an improving credit trajectory, a government committed to its debt management strategy, a deeply liquid domestic market, and a growing foreign investor base — remain intact.

CAL Treasuries approaches 2026/27 from a position of deliberate preparedness. The Company's research function, the analytical backbone of every portfolio decision, every client engagement, and every strategic initiative, continues to operate at the forefront of Sri Lanka's fixed income market. The Company is actively exploring new capital market instruments and investment structures designed to serve evolving stakeholder needs and provide resilience across varying market conditions. These are research-backed initiatives, not reactive responses and over the next five years, aims to evolve from the country's leading non-bank primary dealer into a comprehensive fixed income institution that not only participates in markets, but also contributes meaningfully to their development, liquidity, and long-term stability.

ASSET MANAGEMENT - *Capital Alliance Investments Limited*

"Sustained Momentum Through Innovation and Client Focus"

SUSTAINED GROWTH AND MARKET LEADERSHIP

Capital Alliance Investments Limited (CALI) delivered another year of strong and consistent growth in 2025/26, successfully extending the momentum built in the previous years.

Total Assets Under Management grew from LKR 239Bn in 2024/25 to LKR 315Bn in 2025/26, reflecting a robust year on year growth of approximately 32%. This performance underscores the durability of CALI's growth engine and highlights the continuation of a clear, well executed expansion trajectory rather than one off or cyclical gains.

Market leadership was further strengthened as unit trust market share increased from 24% to 32%, supported by strong client inflows, disciplined product positioning, and consistent investment outcomes. Surpassing LKR 300Bn in AUM marked a defining milestone for both CALI and the wider asset management industry.

INNOVATION LED EXECUTION AND PRODUCT DEVELOPMENT

CALI's progress during the year was anchored in purposeful innovation and client driven product development. Key strategic milestones included:

- Becoming the largest unit trust fund manager in Sri Lanka
- Surpassing the LKR 300Bn AUM milestone
- Successfully listing the CAL Three-Year Closed End Fund
- Launching CAL's first Shariah compliant Unit Trust Fund

Each product launch was guided by identified market gaps and real investor needs. CAL continues to leverage its 25+ years of capital market expertise and its USD 1.1Bn+ asset management franchise to connect investors and issuers more efficiently, improve price discovery, and broaden participation across the capital market.

BUILDING CAPABILITY FOR THE NEXT PHASE OF GROWTH

Looking ahead, CALI remains focused on building a scalable and sustainable platform for long-term growth, anchored on four strategic pillars:

Innovation and Product Development

Leveraging technology, market insight, and client feedback to develop timely, flexible, and differentiated investment solutions aligned with evolving investor expectations and market opportunities.

MANAGEMENT DISCUSSION & ANALYSIS

Technology and Operational Efficiency
Deepening technology adoption across the organisation to enhance scalability, operational resilience, execution speed, and service delivery as assets and client complexity continue to expand.

Skill Enhancement and Talent Development

Investing in talent, leadership depth, and specialist expertise to strengthen execution capability, risk management, innovation capacity, and long-term organisational resilience.

Enhanced Research Capability Expanding research coverage across macroeconomic, sector, company, and credit analysis to support sharper insights, stronger portfolio construction, and more informed client engagement.

Client-Centric Philosophy

At the core of CALI's strategy remains a deep commitment to understanding clients — their objectives, constraints, and evolving expectations.

CALI has consistently demonstrated its ability to provide timely, relevant, and practical investment solutions that support clients in preserving and growing wealth in real terms across Sri Lanka's capital markets.

This client-first philosophy, combined with disciplined execution, innovation, and long-term strategic thinking, positions CALI strongly to continue shaping the future of asset management and capital market development in Sri Lanka.

STOCK BROKING - *Capital Alliance Securities (Private) Limited*

OPERATING CONTEXT

2025/26 marked a continuation of Sri Lanka's stabilisation efforts following the significant economic disruptions experienced in recent years. Building on the policy adjustments and institutional reforms implemented in 2024/25, the year was characterised by greater policy continuity and improved execution under the new administration, which maintained alignment with the IMF-supported reform agenda. This helped ease earlier concerns surrounding policy direction and supported a more stable macroeconomic environment.

Economic conditions during the year were supported by a strong tourism season and continued inflows from worker remittances, both of which contributed positively to the external sector and helped maintain relative stability in the Sri Lankan Rupee. Following the temporary deflationary conditions observed in late 2024, inflation was brought back within the Central Bank's target single-digit range, supporting a more predictable operating environment for businesses and consumers. At the same time, private sector credit activity surged 25% on the back of increased domestic demand and a lower rate environment.

Capital markets also reflected the broader improvement in economic sentiment. The Colombo Stock Exchange (CSE) sustained its positive momentum during the year, with the All-Share Price Index (ASPI) continuing its upward trajectory supported by earnings recoveries in selected sectors. Progress on sovereign debt restructuring remained a key development, with the formal implementation of the International Sovereign Bond (ISB) exchange marking an important milestone in Sri Lanka's broader debt normalisation process.

PERFORMANCE HIGHLIGHTS

Building on the strategic momentum established over the previous two years, 2025/26 delivered solid performance across key business segments. Our proactive focus on relationship-driven growth and value-based client acquisition resulted in tangible gains throughout the year.

Market Position and Client Resilience:

In a highly competitive operating environment, our stockbroking market share adjusted slightly from 10.2% to 9.34%. Despite this marginal compression, our deeper engagement with High Net-Worth Individuals (HNWIs) and institutional clients allowed us to protect our core business and firmly consolidate CAL's position among the market's top-tier players.

Turnover Leadership: For the third consecutive year, we ranked among the top two brokerage firms by annual turnover, underpinned by our research-driven advisory model and high client retention.

Interest Income Resilience: In a persistently low-interest-rate environment, the strategic expansion of our margin lending book and prudent credit risk management enabled us to maintain healthy interest income levels.

Digital Transformation: 2025/26 also saw key advancements in our digital infrastructure, enhancing client experience through improved trading platforms and mobile accessibility, supporting higher transaction volumes and operational efficiency.

People and Culture: Continued investment in employee development, training, and performance-linked incentives helped us attract and retain top talent, while nurturing a culture of innovation and accountability.

As we move into 2026/27, we remain focused on agile execution, diversified revenue growth, and leveraging market opportunities amid the evolving macroeconomic and political landscape.

CORPORATE FINANCE - *Capital Alliance Partners Limited (CALP)*

OPERATING CONTEXT

Stabilising economic conditions and improving investor sentiment drove a meaningful recovery in Sri Lanka's primary market for both Debt and Equity securities in 2025/26. Against this backdrop, Capital Alliance Partners (CALP) delivered a resilient performance across both markets, successfully completing 12 transactions with a total deal value of LKR 51 billion, while securing 28 new mandates. Debt Capital Markets contributed the majority of transaction value at LKR 30 billion, with Equity Capital Markets raising a further LKR 21 billion, reflecting sustained client confidence and a healthy pipeline of future business, positioning the firm with revenue of Rs. 265 Mn and a net profit margin of 17%.

EQUITY CAPITAL MARKETS

CALP delivered three landmark transactions, the forefront being the Capital Alliance Holdings PLC IPO, the largest IPO of the financial year, raising LKR 1.57 billion and closing oversubscribed by 15x on its very first day. Capital Alliance Partners completed yet another listing of a closed-end fixed income fund, the CAL Three-Year Closed End Fund, by way of Introduction on the Colombo Stock Exchange, in partnership with Capital Alliance Investments (CALI).

CALP's advisory excellence extended well beyond the primary equity markets. The firm served as exclusive transaction adviser to DFCC Bank PLC on its LKR 3.7 billion acquisition of the Retail and Wealth Banking Business of Standard Chartered Bank Sri Lanka, marking a distinction that makes CALP the only Investment Bank in Sri Lanka to have advised an acquiring bank to a definitive agreement, a milestone that speaks to the depth of expertise and trust placed in the firm by the country's leading financial institutions. CALP also acted as exclusive sell-side advisor to Joint Agri Products Ceylon (Pvt) Ltd on the divestiture of a majority stake to Sunshine Holdings PLC, further reinforcing its standing as the advisor of choice for complex, high-value transactions.

DEBT CAPITAL MARKETS

CALP delivered a series of market-defining transactions in Debt Capital markets throughout the year. Acted as the Manager to the Issue for Sarvodaya Development Finance PLC's LKR 2 billion High-Yield Sustainable Bond, proudly facilitating Sri Lanka's first ever Sustainable Bond issuance and the largest sub-investment grade issuance in the history of the Colombo Stock Exchange.

Building on this momentum, CALP's leadership was further reflected in its role guiding Assetline Finance Limited through its inaugural listed, rated, unsecured senior debenture issuance, supporting the company at every step of the CSE listing process.

CALP also advised DFCC Bank on Sri Lanka's first Basel III-compliant GSS+ bond issuance, expertly navigating a complex regulatory landscape to deliver a successful placement of LKR 10 billion. Crowning this run of achievements, CALP acted as the Sole Manager to the Issue of People's Leasing & Finance PLC's unlisted subordinated debt issuance, successfully raising LKR 9.4 billion, a milestone transaction that ranks among the largest unlisted subordinated debt issuances by a non-bank financial institution in Sri Lanka in recent years.

FUTURE OUTLOOK

In Q1 2026/27, CALP secured four new Equity Capital Markets mandates and three new Debt Capital Markets mandates amidst global political and macroeconomic uncertainty. However, CALP continues to maintain deal flow and progress the existing pipeline of deals forward towards completion.

CAL BANGLADESH

In 2025, the Bangladesh economy navigated a period of volatility under an interim government, alongside a series of political and economic adjustments. The year began with elevated interest rates and inflationary pressures, reflecting a continued tightening cycle aimed at restoring macroeconomic stability. These conditions weighed on overall economic activity, with GDP growth moderating to approximately 3.49%, while investor sentiment remained cautious.

During the second half of the year, there were early signs of stabilisation, as both inflation and interest rates began to ease gradually, supported by policy measures and improving external balances. As a result, capital market activity remained subdued, with the stock market delivering a largely flat return of approximately 6.73% year-on-year, reflecting continued risk aversion and liquidity constraints.

Against this backdrop, CAL Bangladesh continued to demonstrate steady progress and a strengthening growth trajectory, with its business units gaining scale and deepening market presence.

The Stock Brokerage business enhanced its competitive positioning, ranking among the top 35 brokers out of over 300 market participants, with an average market share of approximately 0.65%. The business continued to differentiate itself through

MANAGEMENT DISCUSSION & ANALYSIS

technology-led initiatives, including the launch of CALTRADE, a proprietary Order Management System (OMS), placing CAL among a select group of brokers in Bangladesh with in-house trading infrastructure. Additionally, VStock, the firm's virtual demo trading platform, has continued to gain traction, supporting investor education and onboarding of new retail participants.

The Wealth Management segment recorded a period of accelerated expansion, with Assets Under Management (AUM) increasing fivefold year-on-year, driven by growing engagement from local and foreign high-net-worth individuals (HNIs) and institutional clients. The division also successfully executed a first-of-its-kind series of structured bond transactions in Bangladesh, in collaboration with some of the largest multinational companies, highlighting its capability to structure and deliver sophisticated investment solutions in the local market.

In Investment Banking, the business continued to build momentum, supported by a strong and growing deal pipeline across equity and debt capital markets. CAL Investments Limited was recognised as "Bangladesh's Best Investment Bank for Equity Capital Markets (ECM)" at the Euromoney Awards for Excellence 2025, reinforcing the Group's growing credibility and execution capability across regional capital markets.

The outlook for 2026 begins with a transition to an elected government, providing a pathway toward greater policy continuity and economic direction. However, global uncertainties, particularly geopolitical tensions in the Middle East, are expected to exert renewed pressure on energy prices, inflation, and external balances, potentially sustaining near-term macroeconomic volatility.

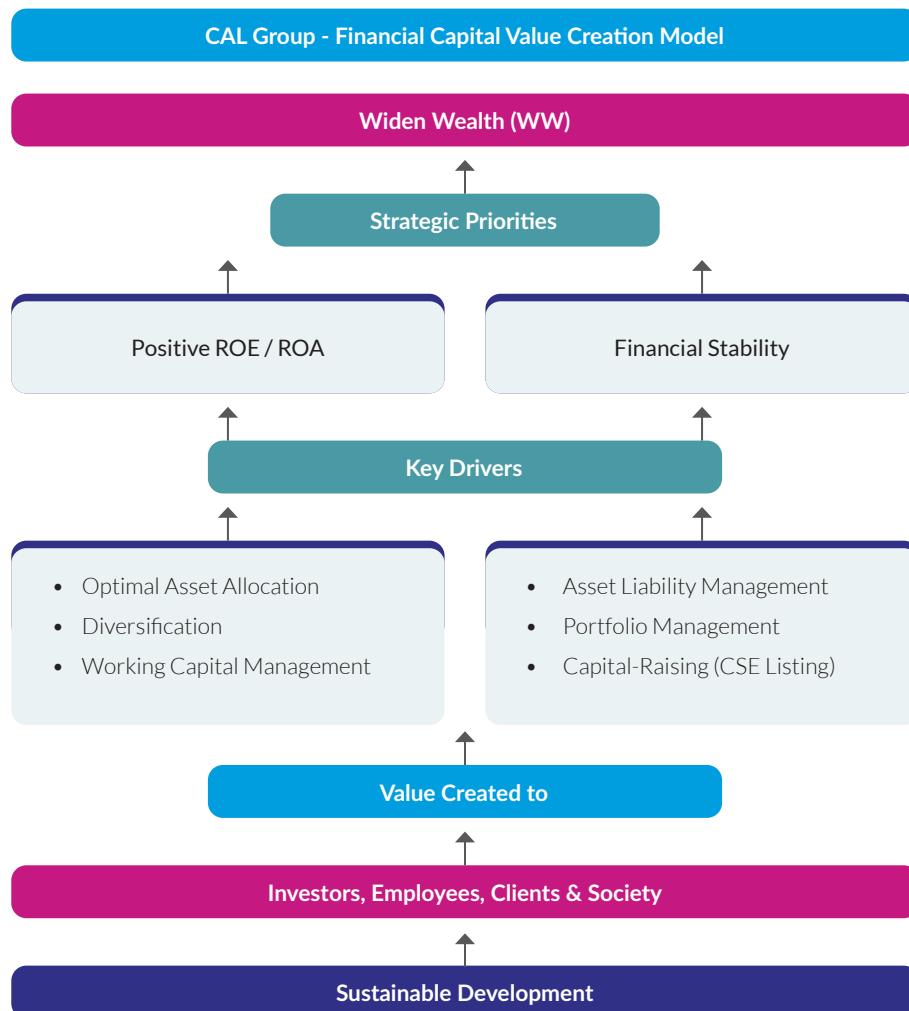
Despite these headwinds, the gradual normalisation of interest rates and inflation, alongside ongoing structural reforms, is expected to support a recovery in economic activity over the medium term. Capital markets are likely to benefit from improving liquidity conditions and a gradual return of investor confidence.

Within this environment, CAL Bangladesh is well-positioned to continue its growth trajectory, supported by investments in technology, an expanding client franchise, and increasing product sophistication. The firm expects continued scale-up across its brokerage, wealth management, and investment banking platforms, with a focus on translating pipeline opportunities into execution and strengthening its contribution to the Group in the coming years.

FINANCIAL REVIEW

PHILOSOPHY

Creating value for all stakeholders through the optimal allocation of resources.



The CAL Group closed the financial year ended 31 March 2026 with a Profit After Tax (PAT) of LKR 2,697 Mn, a decline of 36% from the LKR 4,228 Mn recorded in the previous financial year. Group profitability was underpinned by a strong operating performance across all four core business lines — primary dealing, stockbroking, asset management and investment banking, each profitable for the second consecutive year — for the first eleven months of the year. A significant portion of the trading profits accumulated over the year was, however, reversed in March 2026 following the outbreak

of war in Middle East, which drove a sharp reversal in government securities valuations late in the financial year.

The year was also notable as the Group's first full year as a listed entity following its listing on the Colombo Stock Exchange on 30 May 2025, which added LKR 1.6 Bn of fresh capital to the Group and established a new, permanent channel for equity capital raising alongside the Group's existing debt and deposit funding base.

Total Assets of the Group stood at LKR 103,941 Mn as at 31 March 2026, a reduction of 7% from LKR 111,771 Mn

a year earlier, reflecting a deliberate rebalancing of the government securities book as interest rates normalised, alongside growth in corporate debt and receivables as the Group continued to deploy capital into its balance sheet growth pillar. Growth in the Group's fee-based businesses — which grew fee income by 39% to LKR 3,526 Mn and now account for 44.7% of total operating income, up from 23% a year ago — continued to reduce the Group's dependence on trading income and progressively diversify its earnings base.

FINANCIAL REVIEW

INCOME STATEMENT ANALYSIS

Group Profitability

For the financial year ended 31 March 2026, the CAL Group recorded a Profit After Tax (PAT) of LKR 2,697 Mn, compared to LKR 4,228 Mn in the previous financial year, a decline of 36%. Total Operating Income also declined during the year, falling 28% to LKR 7,958 Mn from LKR 11,049 Mn, reflecting the normalisation of trading gains on government securities compared to the exceptionally strong primary dealing performance recorded in the prior year, compounded by the reversal of trading profits in the final month of the year following the outbreak of war in Iran.

GROUP PAT

LKR 2,697 Mn

2025/26

LKR 4,228 Mn

2024/25

TOTAL INCOME

LKR 14,979 Mn

2025/26

LKR 17,076 Mn

2024/25

EARNINGS PER SHARE

LKR 1.18

2025/26

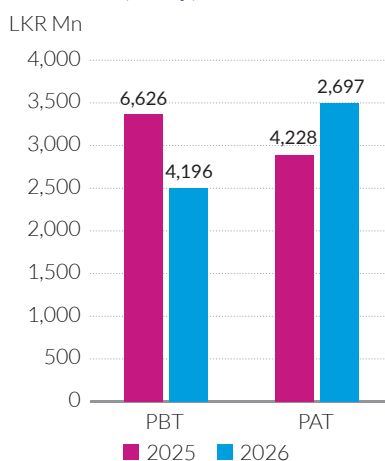
LKR 1.88

2024/25

Consequently, the Group's Return on Equity (ROE) declined to 12.66% in FY2025/26, from 21.08% in FY2024/25, while Return on Assets (ROA) decreased to 3.91% from 7.43% over the same period. These declines reflect both the

normalisation of trading conditions after an exceptionally strong prior year and the enlargement of the Group's equity base following the CALH listing in May 2025.

PBT & PAT (Group)



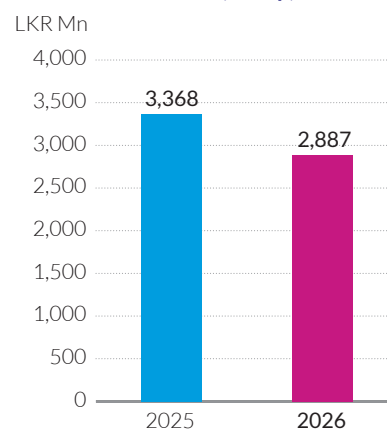
Total Income

The Group's Total Income declined by 12% to LKR 14,979 Mn for the year ended 31 March 2026, from LKR 17,076 Mn in the previous financial year. The decline was primarily attributable to a reduction in net trading gains, which fell to LKR 3,436 Mn from LKR 6,655 Mn in FY2024/25, as interest rate movements during the year were far less pronounced than the sharp rate cuts of the prior year that had driven substantial capital gains on government securities. This was partly offset by growth in Interest Income, which rose 4% to LKR 9,684 Mn, and continued strong growth in Fee Based Income, which increased 39% to LKR 3,526 Mn.

Net Interest Income

Net Interest Income for the Group decreased by 14% to LKR 2,887 Mn in FY2025/26, from LKR 3,368 Mn in the previous year. While gross Interest Income grew 4% to LKR 9,684 Mn, Interest Expense rose at a faster pace of 14% to LKR 6,797 Mn, reflecting the Group's enlarged funding base supporting a larger trading book earlier in the year. As a result, the interest spread narrowed to 0.78% from 1.72% in FY2024/25, while interest cover moderated to 1.62 times from 2.11 times.

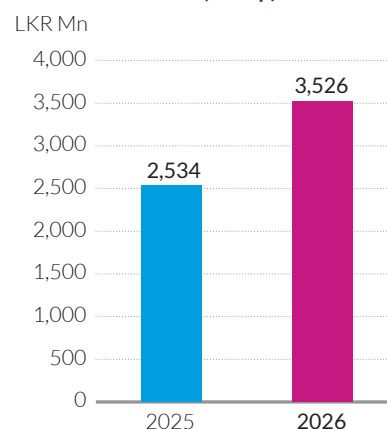
Net Interest Income (Group)



Fee Based Income

Fee Based Income continued its strong growth trajectory, rising 39% to LKR 3,526 Mn in FY2025/26 from LKR 2,534 Mn in the prior year, and now accounts for 44.7% of the Group's Total Operating Income, up from 23% a year ago. This growth was broad-based across the Group's fee-generating businesses: fee income from stockbroking rose 67% to LKR 1.4 Bn, from asset management by 31% to LKR 1.8 Bn, and from investment banking by 79% to LKR 265 Mn. By category, Management Fees remained the largest contributor at LKR 1,694 Mn (2025: LKR 1,387 Mn), followed by Brokerage Fees of LKR 1,370 Mn (2025: LKR 947 Mn) and Placement Fee Income of LKR 373 Mn (2025: LKR 194 Mn), with Consultancy & Advisory Fees rising sharply to LKR 89 Mn from LKR 5 Mn as investment banking activity picked up. The continued diversification of the Group's revenue base towards recurring, fee-based income reduces the Group's reliance on the more volatile trading and interest income lines.

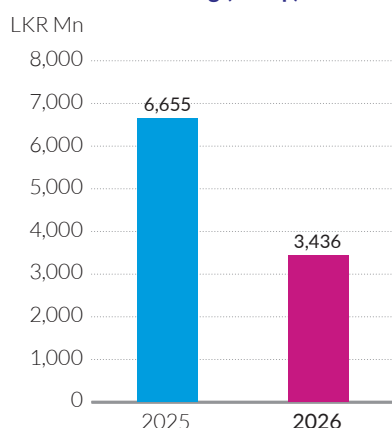
Fee Based Income (Group)



Net Gains on Trading

For the financial year ended 31 March 2026, the Group reported net gains from trading activities of LKR 3,436 Mn, a decrease of 48% from LKR 6,655 Mn in FY2024/25. Net capital gains on Treasury Bonds, the largest single contributor, fell to LKR 2,697 Mn from LKR 6,276 Mn as the pace of interest rate declines moderated compared to the prior year. This was partly offset by higher net capital gains on shares, which rose to LKR 299 Mn from LKR 95 Mn, and on investments in Unit Trusts, which increased to LKR 341 Mn from LKR 246 Mn. Trading gains were also affected by the reversal of a portion of the year's accumulated gains in March 2026, following the outbreak of war in Iran.

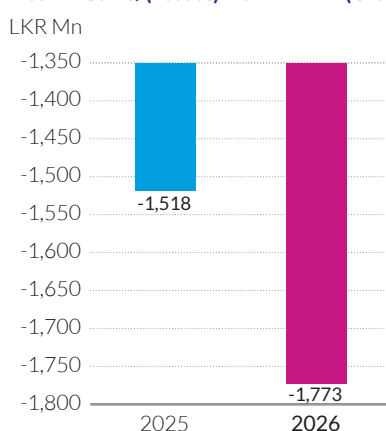
Net Gains on Trading (Group)



Net Fair Value Gains/(Losses) from Financial Assets at FVTPL

The Group recorded a net remeasurement loss of LKR 1,773 Mn on financial assets measured at fair value through profit or loss (FVTPL) in FY2025/26, compared to a loss of LKR 1,518 Mn in the previous year. This was driven primarily by a remeasurement loss of LKR 1,838 Mn on government securities (2025: loss of LKR 1,681 Mn), partly offset by remeasurement gains of LKR 58 Mn on equity investments (2025: gain of LKR 120 Mn) and LKR 7 Mn on Unit Trusts (2025: gain of LKR 43 Mn).

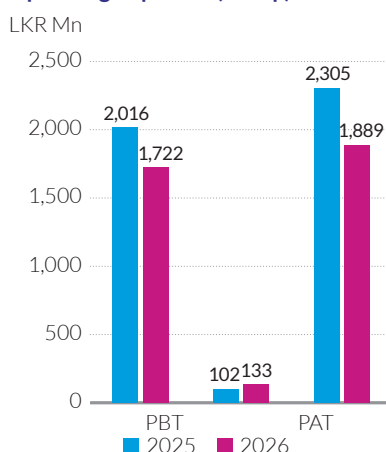
Net FV Gains/(Losses) from FVTPL (Group)



Operating Expenses

Total operating expenses of the Group (personnel expenses, depreciation and amortisation, and other operating expenses) decreased by 15% to LKR 3,743 Mn in FY2025/26, from LKR 4,423 Mn in the previous financial year. Personnel expenses declined 15% to LKR 1,722 Mn (2025: LKR 2,016 Mn), largely reflecting lower performance-based incentive payments in line with moderated Group earnings for the year. Other operating expenses fell 18% to LKR 1,889 Mn (2025: LKR 2,305 Mn), which included a reduction in withholding tax on dividends to LKR 680 Mn from LKR 965 Mn. Depreciation and amortisation increased 30% to LKR 133 Mn (2025: LKR 102 Mn), driven by higher right-of-use asset depreciation following new lease arrangements during the year. Notwithstanding the reduction in absolute expenses, the Group's cost-to-income ratio rose to 47.03% from 40.03% in the prior year, as the decline in operating income outpaced the reduction in costs.

Operating Expenses (Group)



Profit Before Tax (PBT) and Profit After Tax (PAT)

The Group reported a Profit Before Tax (PBT) of LKR 4,196 Mn for the financial year ended 31 March 2026, a decline of 37% from LKR 6,626 Mn in the prior year, reflecting the normalisation of trading conditions following an exceptionally strong FY2024/25. This included a share of loss from an equity-accounted investee of LKR 19 Mn, relating to the Group's new associate investment made during the year. Following this trend, Profit After Tax (PAT) for the year fell 36% to LKR 2,697 Mn, of which LKR 2,418 Mn was attributable to the equity holders of the parent company (2025: LKR 3,607 Mn).

Income Tax Expense

The Group incurred a total income tax expense of LKR 1,500 Mn for the year under review, a reduction of 37% from LKR 2,399 Mn in the previous financial year, broadly in line with the decline in taxable profitability. Income tax payable at the year end reduced significantly to LKR 946 Mn (2025: LKR 2,164 Mn), reflecting the lower current tax charge for the year and tax payments made during the period.

FINANCIAL POSITION ANALYSIS

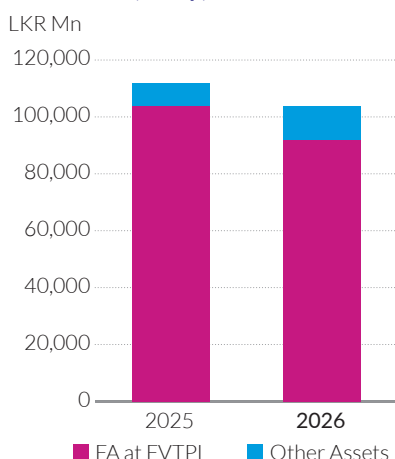
Group Assets

Total Assets of the Group declined by 7% to LKR 103,941 Mn as at 31 March 2026, from LKR 111,771 Mn a year earlier. This was primarily driven by an 11% reduction in Financial Assets Measured at FVTPL, which fell to LKR 92,022 Mn from LKR 103,817 Mn, as the Group rebalanced its government securities portfolio in a more moderate interest rate environment compared to the prior year's deliberate expansion. This reduction was partly offset by growth in Financial Assets Measured at Amortised Cost, which rose 31% to LKR 4,467 Mn (2025: LKR 3,406 Mn) as the Group deployed capital into corporate debt and strategic investments outside the primary dealing book — in line with its balance sheet growth pillar — together with growth in Cash and Cash Equivalents to LKR 1,328 Mn (2025: LKR 561 Mn) and Trade and Other Receivables, which

FINANCIAL REVIEW

rose to LKR 5,197 Mn (2025: LKR 3,529 Mn). The Group also recognised its first Investment in Associate of LKR 276 Mn during the year.

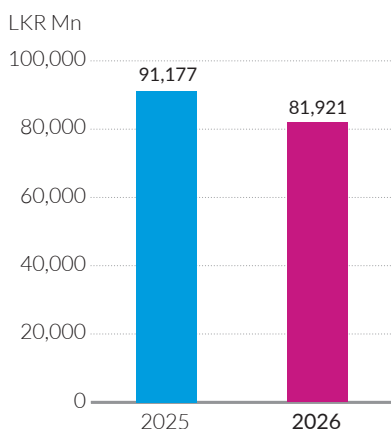
Total Assets (Group)



Group Liabilities

The Group's Total Liabilities decreased by 10% to LKR 81,921 Mn as at 31 March 2026, from LKR 91,177 Mn a year earlier, mirroring the contraction of the government securities book. Financial Liabilities Measured at Amortised Cost, which primarily comprise securities sold under repurchase agreements funding the Group's primary dealing book, declined 10% to LKR 77,231 Mn (2025: LKR 85,983 Mn). Income tax payable also declined sharply to LKR 946 Mn from LKR 2,164 Mn, while Trade and Other Payables increased to LKR 2,616 Mn (2025: LKR 2,337 Mn) and Lease Liabilities rose to LKR 309 Mn (2025: LKR 119 Mn) following new lease arrangements entered into during the year.

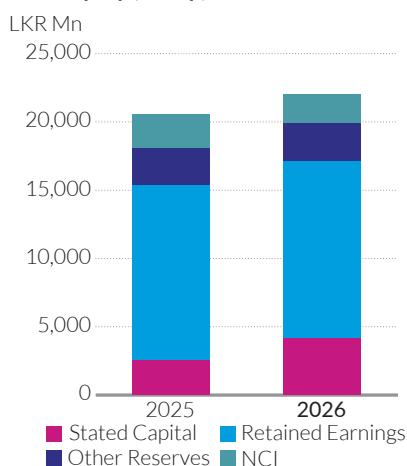
Total Liabilities (Group)



Equity

Total Equity grew by 7% to LKR 22,020 Mn as at 31 March 2026, from LKR 20,595 Mn a year earlier. The primary driver of this growth was the Group's listing on the Colombo Stock Exchange in May 2025, which increased Stated Capital by LKR 1,575 Mn to LKR 4,108 Mn (2025: LKR 2,533 Mn), together with the year's retained profit contribution, which lifted Retained Earnings to LKR 12,992 Mn (2025: LKR 12,857 Mn). Non-Controlling Interests declined to LKR 2,104 Mn (2025: LKR 2,529 Mn), broadly in line with the moderated profitability of the Group's less than wholly-owned subsidiaries during the year.

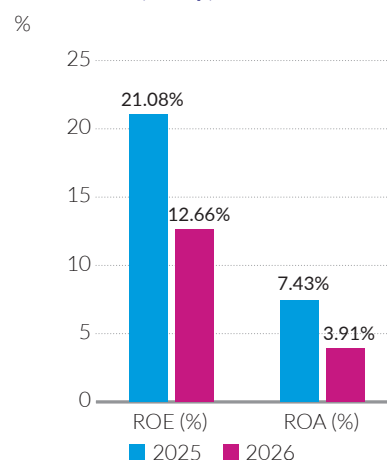
Total Equity (Group)



RETURN ON EQUITY (ROE) AND RETURN ON ASSETS (ROA)

For the financial year ended 31 March 2026, the Group's Return on Equity (ROE) decreased to 12.66%, from 21.08% in the prior year, while Return on Assets (ROA), net of tax, declined to 3.91% from 7.43%. The decline in both ROE and ROA is primarily attributable to the normalisation of earnings following an exceptionally strong FY2024/25, compounded by the enlargement of the Group's capital base following the CALH listing and the reversal of trading gains in the final month of the year. While returns have moderated on a year-on-year basis, they continue to reflect a healthy level of profitability and efficient use of capital in a more normalised operating environment, and provide a more sustainable benchmark for evaluating the Group's long-term value creation.

ROE & ROA (Group)



Earnings Per Share (EPS) and Net Assets Value Per Share (NAVPS)

As at 31 March 2026, the Group reported Earnings Per Share (EPS) of LKR 1.18, compared to LKR 1.88 in the previous financial year, reflecting the decline in Group profitability for the year combined with the enlarged share base following the CALH listing in May 2025. The Net Assets Value (NAV) per share increased to LKR 9.61 as at 31 March 2026, from LKR 9.44 as at 31 March 2025, as the capital raised through the listing and the year's retained earnings grew the Group's equity base at a faster pace than the increase in the number of shares in issue.

Group	2024/25	2025/26
Earnings Per Share (EPS) – LKR	1.18	1.88
Net Assets Value Per Share (NAVPS) – LKR	9.61	9.44
Return on Equity (ROE)	12.66%	21.08%
Return on Assets (ROA)	3.91%	7.43%
Cost to Income Ratio	47.03%	40.03%
Debt to Equity (Times)	3.51	4.18
Interest Cover (Times)	1.62	2.11

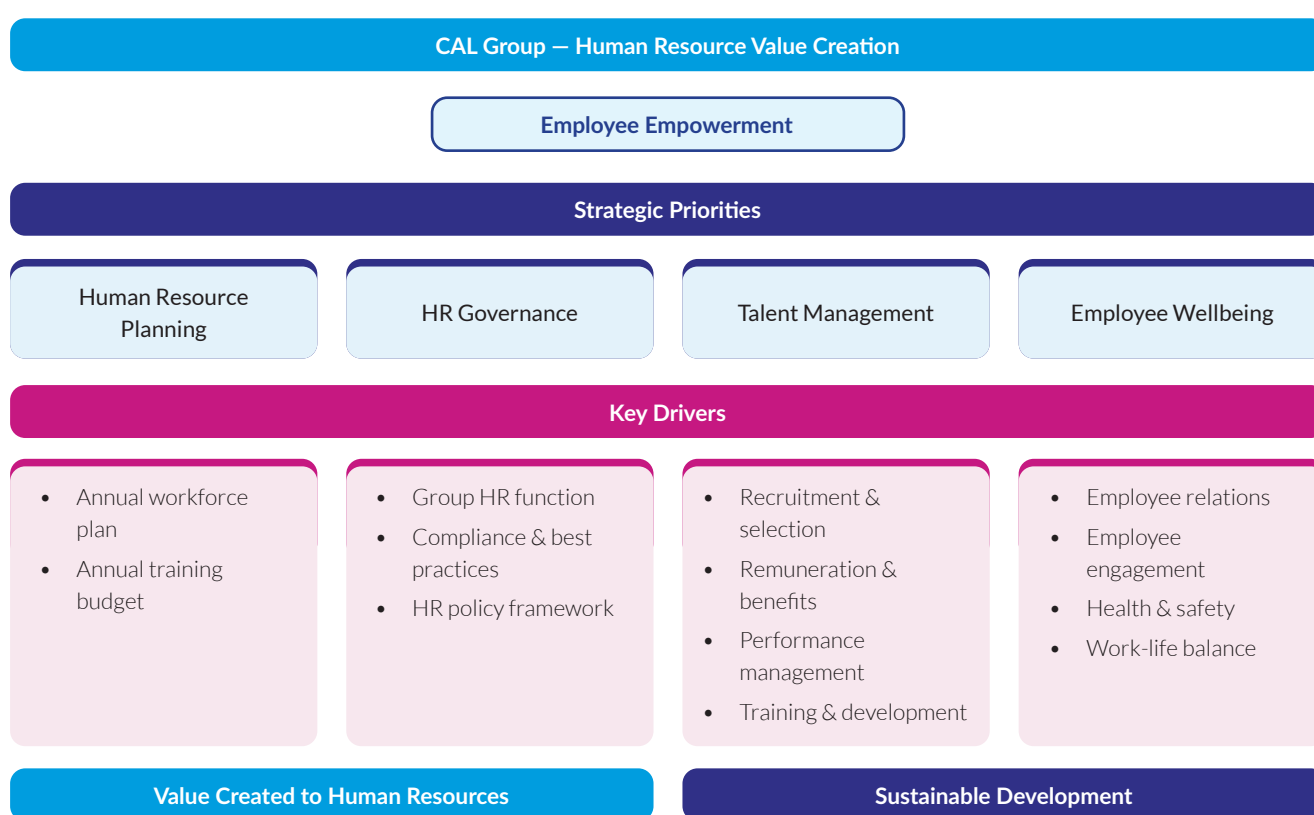
PEOPLE AND CULTURE

HR PHILOSOPHY

At CAL Group, our Human Resource philosophy is anchored in four fundamental principles:

- Commitment to Equal Opportunity
- Meritocracy: The Best Ideas Prevail
- Investment in Learning and Development
- Creating a Balanced and Inclusive Workplace

These principles form the backbone of our approach, fostering an environment where all employees thrive through meaningful and engaging career experiences at CAL Group.



HUMAN RESOURCE PLANNING

Annual Workforce Planning

Our HR strategy is built on thoughtful workforce planning to ensure every business unit has the talent and resources needed to achieve its goals. Department heads work closely with the CEO to anticipate staffing requirements and finalise plans ahead of each fiscal year. Guided by the Group Chief Human Resources Officer, this collaborative process helps ensure that workforce plans remain aligned with the organisation's priorities and future growth objectives.

Key Figures - Service Tenure

We observed the following distribution of employees based on their service duration:

Service Period	2024/25	2025/26
Under 01 year	41	56
1-5 Years	99	99
6-10 Years	18	20
11-15 Years	5	8
16-20 Years	6	4
21+ years	4	3
	173	190

Annual Training Budget

The annual training budget also plays a critical role in our overall human capital value creation strategy. Similar to the annual workforce plan, training requirements for the forthcoming year are identified by department heads and incorporated into the corporate budget.

Our training framework continues to support employee growth and capability development by ensuring that learning and development needs are systematically integrated into the corporate budgeting process.

PEOPLE AND CULTURE

During FY 2025/26, we achieved the following outcomes:

Training & Development	2025/26
Total Training Cost Incurred (LKR)	32.7 Mn
No. of Training Programs Held	67
No. of Training Hours	2,747
Average Training Hours per Employee	12

Training programmes encompass technical, compliance, and competency-based training, ensuring employees are equipped with the skills, knowledge, and behaviours necessary to perform effectively and support the organisation's strategic objectives.

HR STATISTICS

Total Employees	226
Permanent Employees	190
Non-Permanent Employees	36
Female Representation in total workforce	32%
Total no of Injuries	0
Employee Retention	82%
Total Employee benefits distributed	
No of permanent Staff Recruited	49
Male	35
Female	14
No of Interns	20
Employee Age for permanent Staff	
Below 30 years	77
30-50 years	106
Over 50 years	7



The illustration depicts a vibrant HR ecosystem. At the center is a large gear with a group of people icon. Surrounding it are various icons: a magnifying glass over a person, a target with an arrow, a bar chart, a handshake, a person at a desk, a calendar, and a shield with a checkmark. The background is filled with colorful gears, arrows, and human figures, symbolizing the interconnectedness of HR functions.

HR GOVERNANCE

Group HR Leadership

The Group HR Function ensures compliance with labour laws and adherence to CAL's HR standards, fostering a workplace that reflects our core values of equity and respect.

Compliance and Policies

Aligned with international conventions like the ILO and UN Global Compact, CAL is committed to creating an inclusive and safe workplace. Policies such as the Sexual Harassment Policy and Grievance Handling Policy ensure employees' rights are protected. Annual diversity workshops reinforce our commitment to inclusivity.

Policies To Safeguard Employee Interests

- The Policy on Sexual Harassment, Discrimination, Bullying and Harassment
- Grievance Handling Policy
- Holiday Leave and Sabbatical Policy
- Paternity Leave Policy
- Performance Management Policy
- Membership Subscription Policy

TALENT MANAGEMENT

Recruitment Process

The CAL Group's transparent recruitment system ensures alignment between candidates' skills and organisational culture. Using innovative tools such as Manatal and Test Trick Testing platforms, we've streamlined our hiring process for efficiency and accuracy.

Onboarding Excellence

New employees participate in comprehensive orientation and online induction programmes that support their smooth integration into the organisation while fostering an early understanding of our culture, values, and ways of working.

New recruits by Age:

Age Category	2024/25	2025/26
Below 20	1	0
20-29	31	32
30-39	6	10
40-49	9	7
50-59	1	0
60+	0	0
Total	48	49

New recruits by Gender:

Gender	2024/25	2025/26
Male	33	35
Female	15	14
Total	48	49

No. of Employees: Qualifications Wise

Qualification	2024/25	2025/26
Bachelor's Degree	115	141
Master's Degree	38	52
CFA	5	7
RIA	13	16
CIMA	17	23
ACCA	4	5
CA	3	3

EMPLOYEE WELLBEING**Work-Life Balance and Benefits**

We prioritise employee wellness through initiatives like holiday leave, and sabbatical options. All employees have access to robust healthcare benefits and support programs tailored to diverse needs.

Remuneration and Benefits

Our compensation structures are in accordance with the labour laws that are relevant to our business and are also in line with the current standards set by the sector. Beyond this, CAL Group's commitment to equity is reflected in our compensation and benefit structures. As a result, there are no structural pay gaps between the genders, and men and women in comparable roles within CAL Group are paid equally.

According to the framework now in existence, all employees are eligible to receive incentives depending on their performance in addition to their base wage.

Employees are eligible for the following benefits as well:

- Medical Insurance Scheme, which includes Personal Accident Coverage, Surgical and Hospitalisation Coverage, and Life Insurance.
- In-house OPD Claim.
- Mobile phone, Mobile SIM connection with an included Mobile Data Allowance.
- Paternity Leave - Where male workers are entitled to up to 6 days of paid leave after the birth of his child.
- Additional applicable leave days - Holiday Leave and Sabbatical Leave.
- Professional Membership Subscription.
- Assistance for differently abled children of employees through the Special Needs Program under the CAL Foundation.

No. of Employees: Qualifications Wise

Qualification	2025/26
Total Value of Employee Benefits (LKR)	1,730,867,954
Salaries & Other benefits (LKR)	1,598,391,084
EPF (LKR)	76,951,573
ETF (LKR)	19,237,894
Gratuity Payments (LKR)	45,186,000
Value Per Employee (LKR)	18,266,497

No. of Employees: Qualifications Wise

Qualification	2025/26
Staff covered by the health plan (%)	100%
Value of Contributions to Health Plans (LKR)	17,951,029
Medical/ Insurance Claims (No.)	793
Occupational injuries	NIL
Number of occupational diseases	NIL

WOMEN RETURNING TO WORK AFTER MATERNITY LEAVE

2026	2025	2024
3	3	6

HR POLICY FRAMEWORK

A thorough structure of HR Policies and procedures has been built to safeguard the interests of employees in every way, and it is underpinned by the HR philosophy of the CAL Group.

Performance Management

All permanent workers with one year of service or more are eligible for the Group's performance management system, which is founded on the idea that "employees understand their roles, how their work contributes towards achieving corporate goals, and are focused on results." For all employee grades, the performance management process is the same.

Planning is a critical component of our performance management process, setting the foundation for aligning individual contributions with departmental and organisational objectives. Business leaders engage with their teams to establish key performance indicators (KPIs) and behavioural expectations that support the achievement of each department's business plan. These discussions help ensure clarity of expectations and alignment with strategic priorities.

KPIs agreed upon during the planning phase are uploaded to the Group's Human Resources Information System (HRIS), providing a structured framework for monitoring, evaluating, and managing performance throughout the year. This enables ongoing performance tracking, facilitates constructive performance discussions, and supports objective year-end performance evaluations.

Employees need crucial support to keep on track to meet KPIs specified at the planning stage, which is provided by ongoing supervisor evaluations that are held throughout the year. Each year, as part of the final performance appraisal, employees complete self-evaluations,

PEOPLE AND CULTURE

which are then discussed with their respective supervisors. The basis for choosing the right incentives and the demand for training and development are ascertained by this annual review. In addition, it gives staff members the chance to talk with their respective managers about their professional objectives, aspirations, and any ongoing growth initiatives. Each employee is given the opportunity to rate themselves at the conclusion of the annual appraisal, and their supervisors will then rate them.



Learning and Development

We approach learning and development through three key dimensions: Technical Skill Development, Enhanced Exposure, and Mindset Transformation. Exposure initiatives broaden employees' perspectives and understanding of the business environment. Technical skill development focuses on strengthening role-specific competencies and is complemented by enhanced exposure through on-the-job learning and practical work experiences. Mindset transformation is driven through coaching and mentoring interventions that foster personal growth, leadership capability, adaptability, and a culture of continuous learning.

This holistic approach ensures that our employees are equipped with the technical expertise, practical experience, and growth mindset required to contribute effectively to the organisation's long-term success.

Value of Membership Subscriptions of professional institutions: (LKR)

2024/25	2,125,755
2025/26	2,601,119

No. of Membership Subscriptions of professional institutions:

2024/25	23
2025/26	19

EMPLOYEE WELLBEING

Employee Relations

The CAL Group believes that its relationship with employees should be built on mutual trust, and respect for the dignity and worth of each individual. We therefore work hard to establish trusting and transparent connections with each employee. Our employee relations framework is based on an open-door policy, which aims to encourage staff members to come forward and raise any concerns directly with their immediate superior or a member of the senior management about their job role, work environment, terms and conditions of employment, or any other matter related to their employment. Furthermore, we provide several opportunities for employees to communicate with management, including biannual town hall meetings for the entire group and espresso discussions with staff members from every department with various departmental heads. These meetings are frequently utilised to inform staff members about operational changes.

Our approach to processing grievances reflects CAL's dedication to fostering a welcoming, equal, and effective working environment for all staff members. The Policy outlines how employees can file work related complaints in a formal and constructive method and receive a resolution without fear of retaliation.

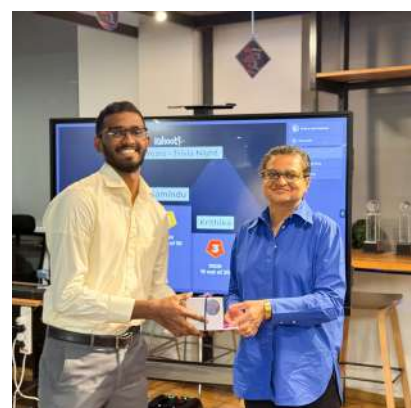
Employee Engagement

We believe that highly engaged employees are more creative, innovative, productive, and fulfilled in their roles. As part of our commitment to fostering a positive and inclusive workplace culture, we conducted a range of employee engagement initiatives throughout the year.

These activities focused on employee well-being and included programmes promoting physical and mental wellness, celebratory events recognising social and religious occasions, CAL Anniversary celebrations, and various recreational activities. These initiatives provided opportunities for employees to connect

beyond their day-to-day responsibilities, strengthening teamwork, enhancing cross-functional collaboration, and fostering a strong sense of belonging.

Most importantly, these activities enabled employees to relax, recharge, and enjoy meaningful interactions with their colleagues, contributing to a more engaged, motivated, and cohesive workforce. Through these efforts, we continue to cultivate a workplace environment that supports employee well-being, collaboration, and long-term organisational success.





Work-Life Balance

We recognise that work commitments can have an adverse effect on our employees given the dynamic nature of our company. We have given the benefit of a paid “holiday leave” up to a maximum of 10 working days per year in an effort to reduce workplace stress and improve work-life balance for our employees. Employees also have the option of taking a three-month sabbatical leave to pursue their personal goals.

Medium Term	Long Term
Increasing the use of digital technology throughout the entire employment lifecycle to improve the employee experience.	Focus on developing a strong talent pipeline through efficient succession planning in order to support CAL Group over the ensuing five to ten years.
Enhance the performance culture by fostering greater employee involvement and teamwork among employees.	
Improve overall employee well-being, work-life balance programs that are more resilient to reflect the new normal, and employee motivation and job satisfaction.	Position CAL Group as a top employer in the South Asian region to draw in international talent.

OUR STRATEGIC PRIORITIES

Purpose-led growth



Our purpose is to create prosperity for the communities we operate in, by helping drive the development of capital markets in frontier economies. Our strategy for delivering on that purpose rests on three growth pillars: taking CAL international, building a business on the strength of our balance sheet, and using technology platforms to bring investment banking to many more people.

Together, CAL's three growth pillars describe the institution we are building: a bridge between frontier economies and global capital, with the capital to make markets and the technology to serve them at scale.



GROWTH PILLAR 1

International

Becoming the bridge across frontier markets

Establishing CAL across a region of frontier markets, and connecting that region to global capital.

- 1.1** Presence in frontier markets with a combined GDP of over USD 1 trillion
- 1.2** A fund management platform that hosts global capital on its way to frontier markets
- 1.3** Distribution capability across the world's major financial centres



GROWTH PILLAR 2

Balance Sheet

Turning capital into products, markets and returns

Putting one of the largest balance sheets in Sri Lankan investment banking to work as a business in its own right.

- 2.1** Invest our capital to create value for shareholders
- 2.2** Manufacture products with differentiated payoffs for clients
- 2.3** Make markets where liquidity is thin



GROWTH PILLAR 3

Platforms

Democratising investment banking through technology

Using technology built in-house to bring investment banking products to many more people, in every market we serve.

- 3.1** Customer-facing platforms that bring complex products to every investor
- 3.2** Trading platforms that connect research ideas to execution
- 3.3** Data, research and AI that put insight to work across the Group

WHAT DIFFERENTIATES US

Insight

Our views are driven by macro modelling, data and analytics, not by sentiment. We have a view on direction and on quantity.

Balance sheet

We put our own capital behind our ideas. Give us the deal, and consider it done.

Platforms

In a world that remains stubbornly analogue, CAL is digital.

Scope

If it does not exist, talk to CAL. We will make it, and the market for it.

Global distribution

We connect frontier economies with global capital in a way no one else does.

HOW THE PILLARS WORK TOGETHER

The three pillars reinforce one another. International expansion creates deal flow and a wider set of markets. The balance sheet turns that deal flow into product, and makes the markets in which it trades. Platforms distribute the product at scale and generate the data that makes our insight better.

International → Balance Sheet

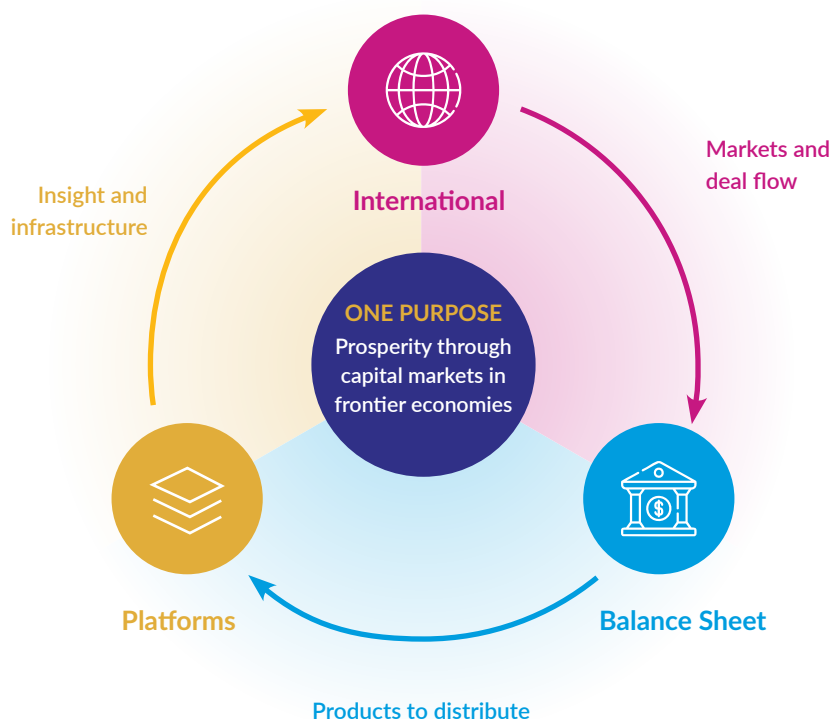
New markets give the balance sheet new asset classes to invest in and new transactions to warehouse and structure.

Balance Sheet → Platforms

Products manufactured on the balance sheet are distributed at scale through our platforms, and to global investors through our distribution network.

Platforms → International

Insight from our data and AI platform drives investment decisions and gives us a research edge in every new market, and the platform itself travels with us.



International

1. Transplanting CAL's culture, values and value proposition into new geographies.
2. A globally mobile bench of talent.
3. Global centres of excellence in data engineering, technology, operations and distribution that serve every market.



Balance Sheet

4. Data infrastructure and machine learning that surface leading indicators for investment decisions.
6. Product structuring and technical sales capability.
7. Deep expertise in alternative asset classes, drawn from overseas where it is not available at home, and through partnerships.



Platforms

7. Customer insight across every geography we serve, and user experience that works across cultures and languages.
8. Low-cost, multi-market customer service operations.
9. Cyber security and controls that scale with the platform.

Our vision is to be the leading capital markets solutions provider in frontier markets. We aim to be the bridge between frontier economies and global capital, with the balance sheet to make markets and the technology to serve millions.

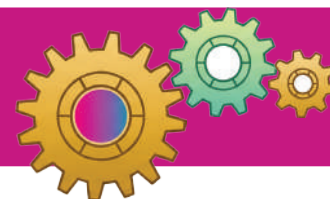
OUR STRATEGIC PRIORITIES



GROWTH PILLAR 1

International

Becoming the bridge across frontier markets



Frontier economies are the parts of the world least served by capital markets. Emerging-market houses have retreated from the frontier and the global banks have regionalised, leaving a set of economies that are growing, under-researched and under-capitalised, and in which an investment bank built for these conditions holds a structural advantage.

Over four years in Bangladesh we have shown that the CAL model travels: insight-led research, a full product set from fixed income to equities to advisory, technology built in-house, and a culture we carry with us. The international pillar takes that model across a region, and connects the region to the world's capital.

1.1 Presence in frontier markets with a combined GDP of over USD 1 trillion

We will establish an operational presence in frontier markets that together represent a combined GDP of over USD 1 trillion and a population of more than 750 million people. We will do this through a hub-and-spoke model. Full-service hubs, as Sri Lanka and Bangladesh are today, are built in markets with established capital markets and serve as centres for the region around them. Lighter, single-product spokes are opened in markets where capital markets are still developing but advisory and M&A opportunities are plentiful.

Across this network we will originate, structure and execute transactions in fixed income, equity and advisory in every market we serve, creating deal flow across the entire region in what will be a globally significant volume. We enter new markets by acquiring or partnering with established, well-run businesses, and by transferring our culture, our systems and our research capability from the centre.

1.2 A fund management platform that hosts global capital

For global investors, the promise of frontier markets is diluted by the complexity of access. Each market brings its own regulation, custody arrangements, currency, tax treatment and information gaps, and few investors can justify building that capability country by country.

We plan to set up a fund management platform in an international financial centre that hosts global capital on its way to frontier markets, providing fund management, administration and custody through a single, familiar and well-regulated gateway. Global investors gain one point of access to a whole region, backed by on-the-ground research and execution in each market. Frontier investors, in turn, gain a route to global markets. The platform reduces the complexity of investing in frontier markets to that of investing in a fund.

1.3 Distribution across the world's major financial centres

We will establish distribution capability across the major global financial centres, building a sell-side network that can place frontier-market transactions with international investors. CAL Global Pte Ltd, established in Singapore during the year, is the first node in this network and will act as a key distribution hub, alongside our existing presence in the UAE.

From these hubs we will take our transactions to the world, first through a regular programme of roadshows and over time through representative offices in the centres where frontier capital is allocated. This allows CAL to distribute frontier-market transactions internationally, unlocking large pools of capital for our clients in Sri Lanka, Bangladesh and the markets we enter next, and giving international investors a curated, research-backed flow of frontier opportunities.

WHAT WE BRING TO A FRONTIER MARKET

Insight and research

Frontier markets carry significant information asymmetry and few players willing to invest in research. We arrive with macro modelling, data and analytics.

Technology

These markets are still largely people-driven. Platforms built once at CAL and deployed across borders make a technology-led model viable where it was not before.

Family businesses

Family businesses are the bedrock of most frontier economies. Investment banking and wealth management are central to helping them transition through generations.

Global connection

A conduit for frontier companies to reach global capital, and for frontier investors to reach global markets, with a particular focus on nascent fixed income markets.

“Our ambition is to become a bridge across frontier markets, connecting frontier economies with global capital in a way no one else does.”

>USD 1trn

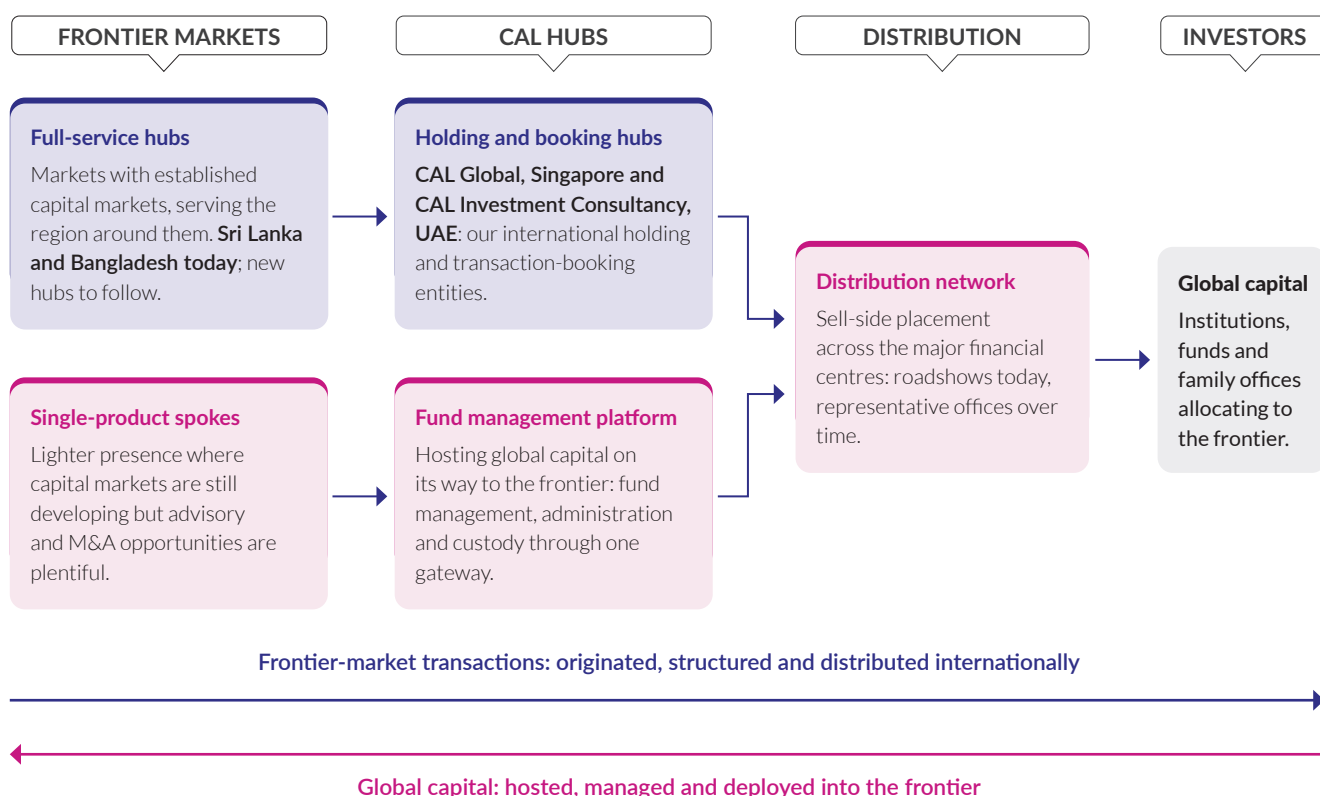
combined GDP of the frontier markets we intend to serve

750mn+

people across those markets



THE NETWORK WE ARE BUILDING



WHERE WE STAND TODAY

- 10. Sri Lanka:** full-service investment bank across primary dealing, stockbroking, asset management and corporate advisory.
- 11. Bangladesh:** stockbroking, investment banking and financial consultancy, operating since FY22 and now a business of real scale.
- 12. UAE:** CAL Investment Consultancy FZ-LLC, our platform for booking international advisory mandates.
- 13. Singapore:** CAL Global Pte Ltd, established in FY26 as the Group's distribution hub for frontier-market transactions.

THE FUTURE

- 14.** Operational presence across markets representing over USD 1 trillion of combined GDP.
- 15.** A growing volume of frontier-market transactions placed with global investors each year.
- 16.** Global capital hosted on a CAL-managed platform on its way to frontier markets

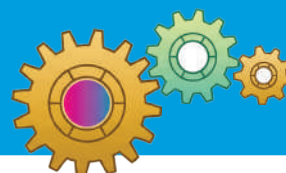
OUR STRATEGIC PRIORITIES



GROWTH PILLAR 2

Balance Sheet

Turning capital into products, markets and returns



CAL's balance sheet is an outlier in the investment banking space in frontier markets, with Group equity of over LKR 20 billion. Historically that capital sat almost entirely behind our primary dealing book, where the principal risk was interest rates and the principal reward came when yields fell.

The second pillar puts the balance sheet to work more broadly, as a business in its own right. It gives the Group three things our fee businesses alone cannot: scalability, because manufactured product can overcome the limitations of market size; the ability to make markets in the frontier through product structuring; and strategic flexibility across market cycles, so that we can earn a return across the interest rate cycle.

2.1 Invest our capital to create value for shareholders

We will leverage the balance sheet to invest, and create value for our shareholders through profits. The investment remit spans public equity, where we take tactical and strategic positions focused on liquidity, valuation dislocations and medium-term compounding; private equity, where we make longer-term strategic investments in businesses in which CAL's reputation and relationships give us an edge in sourcing; and credit, where we deploy capital to earn a net interest spread, balancing tenor, liquidity and credit quality, funded from existing capital, bank lines and commercial paper.

Every opportunity is assessed on a risk-adjusted return basis, and capital is allocated to the highest risk-adjusted return within limits approved by the Board.

2.2 Manufacture products with differentiated payoffs

We will use the balance sheet to create products: differentiated payoff structures that broaden the investment universe for our clients, and that earn fee-based income for CAL while making money for clients and shareholders in return-on-equity terms inside the product itself.

Structuring is scalable. The same capital and the same team can support a growing volume of product, so each additional unit sold adds to the return on the capital that backs it. It also draws on every part of the Group: research identifies the opportunity, the balance sheet unit structures it, and asset management, private wealth and stockbroking distribute it.

2.3 Make markets where liquidity is thin

Frontier markets are defined by gaps in liquidity, and a balance sheet can be a tool that helps close them. We will use ours to make markets where there is not sufficient liquidity: warehousing securities and loans before they are structured, securitised or sold to investors; providing two-way prices in corporate debt and other instruments that trade infrequently; and seeding new products and funds so that they reach a viable size.

Each of these deepens the markets in which our other business units operate, so that investment banking can bring larger transactions, asset management can offer a wider range of products and stockbroking can serve a more active market, while earning a return on the capital employed. The balance sheet enlarges the markets our other business units get to participate in.

THE REMIT OF THE BALANCE SHEET

Equity

Debt

Structured products

WHY A BALANCE SHEET BUSINESS

Scalability

Manufactured product can overcome the limitations of market size.

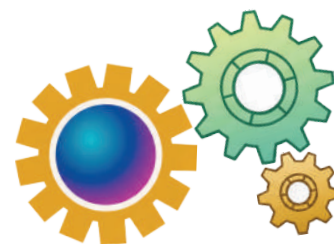
Synergy

The balance sheet helps increase the size of the playing field of our other businesses.

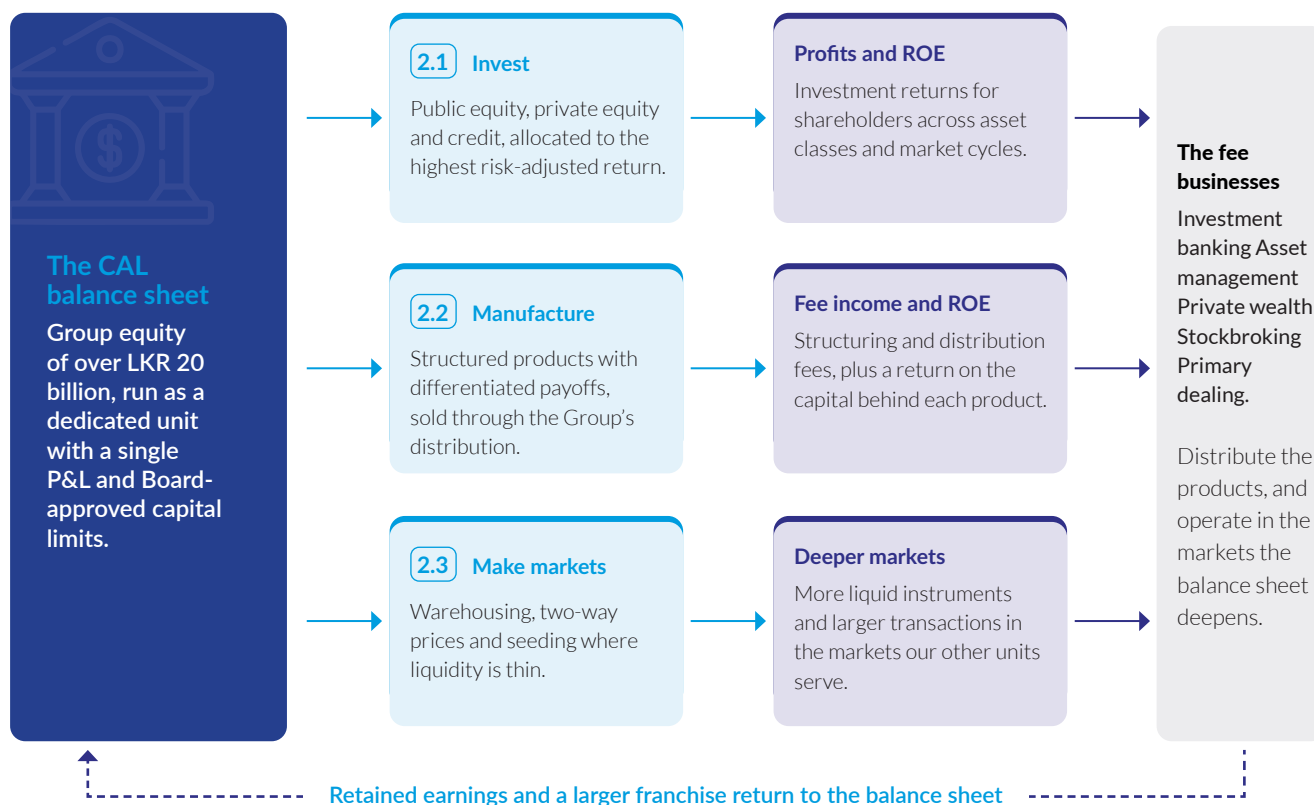
Flexibility

Strategic flexibility across market cycles, with the ability to profit across the entire interest rate cycle.

“The balance sheet enlarges the markets our other business units get to participate in.”



HOW THE BALANCE SHEET CREATES VALUE



DISCIPLINE: HOW THE BALANCE SHEET IS GOVERNED

- 17.** A dedicated balance sheet unit with single P&L ownership, operating within capital allocation limits and a risk appetite set by the Board
- 18.** Every new product is risk-assessed by the Chief Risk Officer and approved by the Risk Advisory Committee before launch. Investment decisions are overseen by an Investment Committee, and the Audit Committee reviews all transactions and reporting
- 19.** Risk is measured by component: value-at-risk and drawdown limits for public equity; concentration, valuation and exit risk for private equity; probability of default, expected credit loss and tenor-gap analysis for credit; model validation and hedging effectiveness for structured products.
- 20.** Capital goes to the highest risk-adjusted return, and performance is judged on a time-weighted basis

THE FUTURE

- 21.** A rising share of Group income from balance sheet activities beyond primary dealing.
- 22.** Return on allocated capital above the Group's cost of equity through the cycle
- 23.** Global capital hosted on a CAL-managed platform on its way to frontier markets.

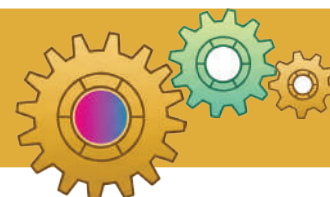
OUR STRATEGIC PRIORITIES



GROWTH PILLAR 3

Platforms

Democratising investment banking through technology



Operating in frontier markets requires us to make smaller transactions profitable. Platforms are key to achieving this. As we do so, we will democratise investment banking – making complex product available and accessible to a large section of the population.

The CAL Online platform crossed 80,000 users in FY26, double the number a year earlier.

3.1 Customer-facing platforms that bring complex products to every investor

We will build customer-facing platforms that make complex financial products available to investors even at a small scale. Investment banking has traditionally served a few hundred institutions and families, because every transaction carried a fixed cost of people and paper. Technology helps remove that constraint. With onboarding in minutes, instant transactions and settlement integrated with the banking system, we can dramatically reduce the minimum viable transaction size and customer size, and bring unit trusts, fixed income, Sharia-compliant funds, structured products, equities and private wealth solutions to anyone with a smartphone.

This is what we mean by democratising investment banking. It also multiplies our addressable market: the products our balance sheet manufactures and our research identifies can reach hundreds of thousands of customers rather than simply hundreds. The platform is being extended from Sri Lanka to Bangladesh, and will travel with us into every new market.

3.2 Trading platforms that connect research ideas to execution

We will build better trading platforms that allow clients to merge research ideas with execution more effectively. Today, insight and action live in different places: research is read in one system and orders are placed in another. Our own equity trading platform, now in development, brings the two together, so that a client can move from an idea, whether it originates with our analysts, our data models or their own view, to a trade in a single flow, with the analytics to test it along the way.

The same infrastructure serves our institutional clients and our own trading desks, with real-time order-book analytics and algorithmic execution that improves the quality of every trade. Better execution is a service to clients. It is also a source of revenue and of market share, in Sri Lanka first and then across our network.

3.3 Data, research and AI that put insight to work across the Group

Insight is the differentiator that underpins everything CAL does, and the third priority is to make it a platform in its own right. We have unified the Group's data on a single cloud platform, with automated pipelines that bring together market data, our own transaction data and proprietary datasets. On this foundation we are building automated macro and market models, quantitative trading models and predictive risk tools to monitor markets, take positions and serve customers.

WHAT WE BRING TO A FRONTIER MARKET

Less friction

Onboarding, execution and settlement that take minutes rather than days, with AI-assisted verification and deeper integration with the banking system.

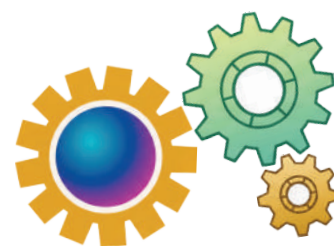
Real-time data, analysed by both humans and AI

A common dataset that relies on real-time data gathering, which can be leveraged to harness the collective intelligence within the CAL ecosystem – human and AI.

Every market we enter

The platform is being extended to Bangladesh and will be deployed in each new market on entry, carrying CAL's products and research with it.

“The addressable market widens from the few thousand who can afford a relationship manager to the millions who can download the app.”



THE PLATFORM STACK

Customer-facing	CAL Online web and mobile · unit trusts, fixed income, Sharia-compliant funds, structured products · digital onboarding and video KYC · instant transactions and bank integration · private wealth and tax tools	INSIGHT FLOWS UP DATA FLOWS DOWN
Trading and execution	Proprietary equity trading platform · research and analytics inside the trading flow · real-time order-book analytics · algorithmic execution for clients and our own desks	
Data, research and AI	Unified cloud data platform · automated macro and market models · quantitative trading and risk models · AI agents for research, operations and customer service	

80,000+

users on CAL Online at the end of FY26, double a year earlier

100%

of the platform's intellectual property developed and owned in-house

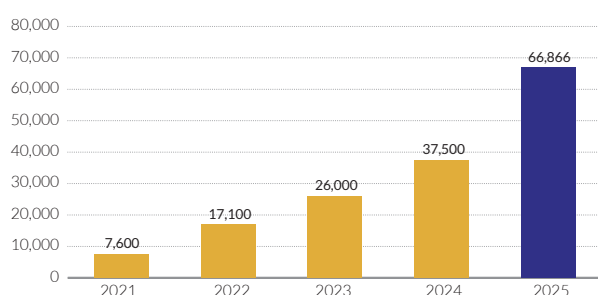
50%+

faster roll-out of new developments year on year, with AI adopted across our software teams

CAL ONLINE: FROM A PORTAL TO A PLATFORM

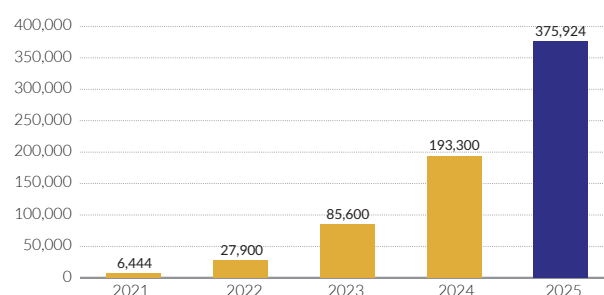
Clients on CAL Online

Number of clients at calendar year end



Transactions processed

Number of portal transactions per calendar year



Source: Company records. Systems developed in-house; all intellectual property owned by CAL.

THE FUTURE

24. Sustained growth in platform users and transactions, in Sri Lanka and in each new market.
25. A rising share of fee income originated through digital channels, at a falling cost to serve.
26. Insight from the data and AI platform measurably improving investment performance and product design.

STAKEHOLDER ENGAGEMENT

OUR STAKEHOLDERS

At CAL, we acknowledge that our long-term success is closely linked to the interests, well-being, and active engagement of our diverse stakeholder groups. We are committed to cultivating transparent, constructive, and mutually beneficial relationships, recognising that stakeholder trust and collaboration are vital to achieving sustainable growth and delivering enduring value. By evaluating the relevance and influence of each stakeholder group on our operations and strategic outcomes, we adopt appropriate management approaches to address their specific needs and expectations. CAL has identified six key stakeholder clusters that are either significantly impacted by our activities, outputs, and outcomes or play a critical role in our ability to create long-term value.

Our stakeholders are essential partners in our ongoing journey. We are committed to engaging with them in a meaningful and responsible manner, and strive to contribute positively to the broader ecosystem in which we operate.

INTERNAL			
Board of Directors	• Management Committees	• Employees	
CONNECTED			
Investors	• Shareholders	• Customers	• Business Partners
EXTERNAL			
Government	• Regulators	• Community	• Environment

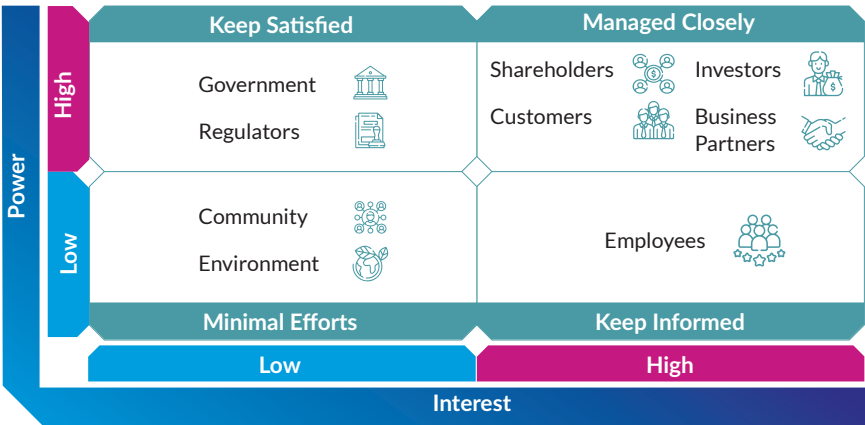
STAKEHOLDER ENGAGEMENT PROCESS

In alignment with the GRI Standards, CAL views stakeholder engagement as a strategic priority that underpins our commitment to transparency, accountability, and sustainable development. Engaging with stakeholders enables us to understand their interests, expectations, and concerns ensuring that our decision-making processes reflect material issues that matter most to them and to our business. Building strong, trust-based relationships with our diverse stakeholders is central to our operations and long-term value creation.

1	2	3	4	5
Stakeholder Identification	Stakeholder Prioritisation	Development of Engagement Plan	Execution of Engagement Plan	Control, Monitor, and Enhance the Engagement Plan

CAL's stakeholder engagement strategy is structured to facilitate meaningful and constructive interactions with relevant stakeholders on an individual and collective basis to foster mutually beneficial outcomes. The framework encompasses the identification, assessment, and engagement of stakeholders supported by regular evaluations of engagement effectiveness through established feedback mechanisms. This approach ensures the alignment of stakeholder interests with CAL's strategic objectives.

The following communication channels illustrate how CAL facilitates transparent engagement and fosters mutually beneficial relationships with its stakeholders while consistently seeking and incorporating their feedback.



● Annually
 ● Quarterly
 ● Monthly
 ● Weekly
 ● As and when required
 ● Continuous and ongoing

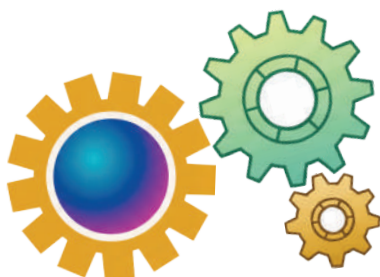
Stakeholder	Ways of Engagement	Engagement Frequency	Key Concerns Addressed	
Shareholders/ Investors	Annual General Meeting (AGM)	●	- Credibility and financial position - Credit rating - Competitive strengths - Cost management - Capital and liquidity management - IT security and fraud management	- Digitization and process automation - Risk management - Regulatory compliance and disclosures - Business ethics and anti-corruption - Compliance with laws and regulations - Human and labour rights
	Annual report	●		
	Interim financial statements	●		
	Corporate website	●		
	Extraordinary General Meetings (EGM)	●		
	Press conferences/ Press releases	●		
	Social media platforms	●		
Customer	Relationship managers	●	- Timeliness and relevance of product and services - Availability of market information - Service excellence	- Digital access - Information security and customer privacy
	One-on-one meetings	●		
	Press conferences/ Press releases	●		
	Corporate website	●		
	Social media platforms	●		
Employees	Espresso meetings	●	- Pay and benefits - Human and labour rights - Development opportunities - Career prospects - Connectivity to management	- Diversity and inclusion - Job satisfaction - Work-life balance
	Formal and informal discussion	●		
	Internal communication channels	●		
	Training programmes	●		
	Recreational activities	●		
	Town Hall sessions	●		
	Incontro meetings	●		
	Counselling	●		
	Awards ceremonies	●		
Business Partners	One-on-one meetings	●	- Credibility and financial position - Credit rating - Competitive strengths - IT security and fraud management	- Regulatory compliance and disclosures - Business ethics and anti-corruption - Compliance with laws and regulations
	Networking	●		
	Corporate website	●		
	Social media platforms	●		
Community and Environment	Press conferences/ Press releases	●	Community development	Internships
	Corporate website	●		
	Social media platforms	●		
	Annual report	●		
	Community initiatives	●		
Government and Regulators	Regulatory audits	●	- Business ethics and anti-corruption - Compliance with laws and regulations	- Security - Human and labour rights
	Interim financials	●		
	Annual report	●		
	Regulatory submissions/filings	●		
	Other meetings	●		

RISK MANAGEMENT REPORT

Capital Alliance Holdings PLC (The Group) operates across four interconnected business lines — primary dealing in government securities, stock brokering, asset management, and corporate finance across two countries. This diversified model creates a dynamic risk landscape that demands a disciplined, forward-looking approach to risk governance.

Our risk management philosophy is grounded in the conviction that sustainable growth and long-term value creation can only be achieved when risk is identified early, managed proactively, and governed transparently at every level of the organisation.

In an environment characterised by tightening regulatory requirements, evolving capital market conditions, advancing financial technologies, and heightened counterparty scrutiny, the Group continuously strengthens its risk management capabilities. Every significant decision — whether in trading, lending, investment management, or advisory — is framed within the parameters set by the Board-approved risk appetite, ensuring that commercial ambition is always balanced against prudent risk-taking.



RISK GOVERNANCE

Effective risk governance at Capital Alliance Holdings PLC is underpinned by a clear hierarchy of accountability, from the Board of Directors through to individual business units. Each layer of governance carries defined responsibilities, ensuring that risk oversight is neither duplicated nor left unaddressed.

BOARD OF DIRECTORS

- Oversees and sets the risk appetite and strategy.
- Establishes the Risk Advisory Committee.



RISK ADVISORY COMMITTEE

- Formulate and review risk policies and frameworks.
- Monitor risk management activities and effectiveness.



RISK AND COMPLIANCE UNIT

- Facilitates the implementation of the ERM framework.
- Identification, assessment, and control of risks.
- Manage the Risk Registers and reports to the Executive Management and Board.



INTERNAL AUDIT

- Provide independent assurance on the effectiveness of risk management and internal controls.
- Evaluate governance processes and adherence to policies.

THE ROLE OF THE BOARD OF DIRECTORS

The Board of Directors holds ultimate responsibility for risk management across the CAL Group. It has delegated day-to-day oversight of risk matters to the Risk Advisory Committee, while retaining accountability for the Group's overall risk posture and the adequacy of its governance structures. The Board annually reviews and approves the Risk Appetite Statement, ensuring that the Group's risk tolerance remains aligned with its strategic objectives and capital position.

monitors emerging risk issues, reviews key risk indicators, and ensures that all business units maintain adherence to Board-approved risk parameters.

THE RISK AND COMPLIANCE UNIT

The Risk and Compliance Unit (RCU), led by the Chief Risk and Compliance Officer (CRCO), is the operational backbone of the Group's Enterprise Risk Management (ERM) framework. The RCU is responsible for the identification, assessment, monitoring, and reporting of all significant risks across every business line — primary dealing, brokering, asset management, and corporate finance. It maintains the Group's Risk Registers, tracks the evolution of the risk profile, and coordinates quarterly risk reviews with the Executive Committee before escalating to the Risk Advisory Committee.

THE RISK ADVISORY COMMITTEE

The Risk Advisory Committee provides the institutional backbone of the Group's risk oversight architecture. It actively

The RCU actively monitors the regulatory environment across all jurisdictions in which the Group operates, ensuring that internal policies and processes are updated promptly in response to new directives, circulars, and statutory requirements issued by the Central Bank of Sri Lanka (CBSL), the Securities and

Exchange Commission of Sri Lanka (SEC), and the Colombo Stock Exchange (CSE).

INTERNAL AUDIT

The Group's internal audit function is outsourced to an independent third party and is executed on a bi-annual basis.

Internal Audit provides independent assurance on the design and operating effectiveness of the Group's controls across all business units, including Risk and compliance and reports its findings to the Board Audit Committee and the Group Chief Executive Officer.

THREE LINES OF DEFENCE

The ERM framework is operationalised through the internationally recognised Three Lines of Defence model, which distributes risk ownership and oversight responsibilities across three distinct layers of the organisation. This structure ensures that risk management is embedded in daily operations while remaining subject to independent scrutiny.



First Line of Defence

The first line comprises all business unit heads and operational staff who bear direct responsibility for identifying and managing risks within their areas. These individuals operate within the policies, directives, and guidelines approved by the Board, and are accountable for maintaining first-level controls, ensuring compliance with risk limits, and escalating material issues through proper channels in a timely manner.

Second Line of Defence

The second line is constituted by the Group Risk Committee and the Risk and Compliance Unit. The RCU provides centralised oversight of the Group's risk profile, maintains the Risk Registers, formulates risk policies, and monitors adherence to the risk framework across all business units. The RCU also serves as the primary interface between operational management and the Board on risk matters, presenting consolidated risk reports to the Group Executive Committee and the Risk Advisory Committee each quarter.

Third Line of Defence

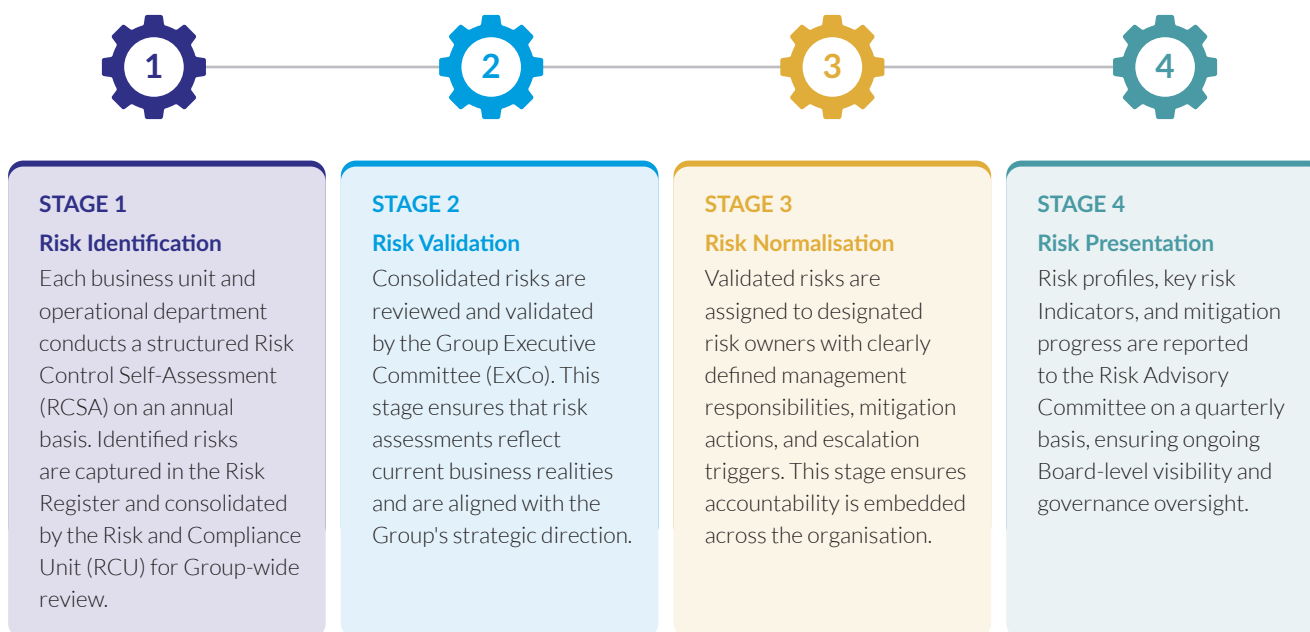
The Internal Audit function, operating under the direct oversight of the Board Audit Committee, constitutes the third line of defence. Internal Audit provides independent, objective assurance on the adequacy and effectiveness of the Group's risk management processes, internal controls, and governance practices. Its mandate extends to evaluating the design and operational effectiveness of controls across all three lines, and to advising on improvements where gaps are identified. External auditors provide additional independent validation at the statutory level.

RISK MANAGEMENT REPORT

ENTERPRISE RISK MANAGEMENT (ERM)

The Group has established a comprehensive Enterprise Risk Management framework that provides a structured, consistent, and forward-looking approach to identifying, assessing, and managing all material risks. The ERM framework is anchored in the Board-approved ERM Policy and is designed to support the Group's key value drivers: financial and earnings stability, regulatory compliance, robust governance, brand and reputational strength, business continuity, and the sustainable growth of human capital.

The ERM framework operates through four sequential stages, each with defined responsibilities and escalation pathways:



RISK APPETITE AND RISK STRATEGY

Risk Appetite

The Group's Risk Appetite defines the nature and quantum of risk that the Board is willing to accept in pursuit of the Group's strategic and commercial objectives. It is formally expressed through a Board-approved Risk Appetite Statement, which sets quantitative thresholds and qualitative boundaries for each material risk category. The Risk Appetite Statement is reviewed annually and serves as the primary reference point against which the RCU calibrates the Group's overall risk exposure.

The Risk Appetite is informed by the Group's key value drivers: capital adequacy, earnings stability, liquidity

resilience, regulatory standing, reputational integrity, and the quality of human capital. The Central Enterprise Risk Management Division uses the Risk Appetite as a calibration tool to assess whether the Group's aggregate risk position remains within acceptable bounds and to guide decisions on risk acceptance, mitigation, or transfer.

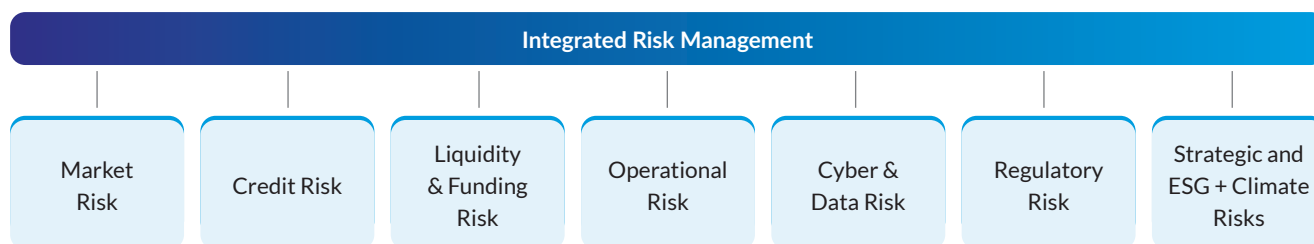
Risk Strategy

The Group's Risk Strategy provides the operational framework through which the Risk Appetite is translated into concrete management actions. It establishes the mechanisms by which risks are identified, assessed, mitigated, and monitored across all four business lines. The strategy is not merely defensive — it is designed to

surface opportunities that arise from the Group's risk-taking activities and to ensure that those opportunities are pursued within a governed, structured context.

Risk management is fully integrated into the Group's business planning and strategic decision-making processes. Business unit heads are required to embed risk considerations into their annual plans, and material risk exposures are reported as standing agenda items at both management committee and Board meetings.

TYPES OF RISKS FACED BY THE GROUP



Market Risk

Market risk is the risk of financial loss arising from adverse movements in market variables — including interest rates, securities prices, foreign exchange rates, and the prices of government securities held in the trading book. As a licensed primary dealer in government securities, the Group carries significant market risk on its treasury portfolio, making disciplined market risk management central to the sustainability of its primary dealing operations.

Interest Rate Risk

Interest rate risk arises from the possibility that unanticipated changes in market interest rates will adversely affect the value of the Group's fixed income portfolio or impair the profitability of its trading activities. This risk is measured principally through PV01 (the price value of a basis point), which quantifies the change in portfolio value resulting from a one basis point movement in interest rates, alongside Modified Duration, which captures the portfolio's overall sensitivity to rate movements.

The Group manages interest rate risk through a clearly defined set of Board-approved limits and controls, including PV01 limits, Modified Duration limits, and Value at Risk (VaR) thresholds set for the trading portfolio.

Risk Dashboards displaying trading limit utilisation, VaR consumption, PV01 exposure, and duration positions are updated daily. These are formally

presented to the Risk Advisory Committee on a quarterly basis, accompanied by post-decision reviews and management commentary on market developments.

Liquidity & Funding Risk

Liquidity Risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due, or that doing so requires the Group to incur costs materially above prevailing market rates. For a primary dealer whose core business involves holding and trading government securities, liquidity risk management is a fundamental operational discipline, encompassing both the ability to convert trading positions into cash without incurring material loss and the maintenance of an adequate buffer of high-quality liquid assets.

The Group's liquidity risk framework is governed by a Board-approved Trading Policy that prescribes specific thresholds for single-entity exposure, cut-loss triggers, and maximum holding periods. These metrics are monitored daily by the RCU, with results reported to the Risk Advisory Committee each quarter.

Funding Risk

Funding risk is the risk that the Group is unable to secure the funding required to finance its holdings of government securities and other assets, or can only do so at a materially higher cost or on unfavourable tenor. As the Group's primary dealing operations rely substantially on repurchase agreements and short-term wholesale funding,

disciplined management of funding sources and maturity profiles is essential to sustaining uninterrupted trading operations.

The Group manages funding risk through active diversification of its funding counterparties, monitoring of funding concentration limits to avoid over-reliance on any single source, and close attention to the matching of funding tenors against the holding periods of the assets they finance, thereby limiting exposure to rollover risk in the event that funding is not renewed on maturity.

Credit Risk

Credit risk encompasses the risk of financial loss arising from a counterparty's failure or inability to fulfil its contractual obligations to the Group, as well as the risk that the value of collateral held against an exposure may be insufficient to cover the outstanding claim. Credit risk arises primarily in the Group's margin lending arrangements within the stock brokering business and in its settlement and counterparty dealings within the primary dealer operation.

Counterparty Risk

Counterparty risk is the risk that a trading counterparty fails to deliver securities or cash on the agreed settlement date. This risk is particularly acute within CAL Treasuries, where settlement failures in the government securities market can result in significant operational and financial disruption. Senior management establishes Counterparty Limits in

RISK MANAGEMENT REPORT

accordance with Board-approved guidelines, giving preference to counterparties with strong credit profiles and sound operational track records. These limits are reviewed regularly and adjusted in response to changes in counterparty creditworthiness.

Concentration Risk

Concentration risk arises from an over-exposure to a single issuer, sector, instrument, or maturity bucket within the investment portfolio. CAL Treasuries actively manages concentration risk through portfolio diversification, ensuring that holdings within any single maturity bucket do not exceed a predetermined percentage of the maximum portfolio limit as set by the Board. Any temporary departure from these limits requires the explicit approval of the Chief Executive Officer, with all such approvals subject to subsequent review by the Board of Directors.

Credit limits applicable to margin lending clients are governed by the CSE Directive, which prescribes the maximum allowable credit extension per client. These limits are monitored daily by the RCU and reported to the SEC on a bi-weekly basis. The debtor portfolio is subject to continuous daily oversight to ensure that margin calls and limit breaches are addressed promptly.

Balance Sheet Investments

Balance sheet investments represent the deployment of the Group's own capital into interest-bearing financial instruments — including Commercial Papers, Debentures, Fixed Deposits, securitised paper, and other structured credit instruments — issued by corporates and financial institutions. However, because the exposures are carried on the Group's balance sheet, they create direct exposure to credit risk, liquidity risk, concentration risk, and interest rate risk in the same way a lending exposure would. Accordingly, all balance sheet investment activity is carried out within the approved risk appetite and is subject to a structured credit evaluation, approval, and monitoring process.

Each investment proposal is assessed based on the issuer's financial position, business risk profile, debt-servicing capacity, cash flow visibility, and the Group's total exposure to the issuer, related parties, sector, and instrument type. Particular attention is given to the sustainability of the issuer's cash flows and its ability to meet obligations under both normal and stressed conditions. The Group also monitors concentration across issuers, sectors, maturities, and instruments to ensure that growth in the investment book does not result in excessive exposure to any single issuer, industry, or asset class.

Following approval and settlement, exposures are monitored on an ongoing basis to identify early signs of credit deterioration, delays in interest or principal payments, covenant breaches, or adverse changes in the issuer's financial or operating position. Where risks are identified, the matter is escalated through the relevant governance channels and appropriate remedial action is taken. This approach enables the Group to pursue balance sheet investment opportunities in a prudent and sustainable manner, while safeguarding capital, maintaining liquidity resilience, and supporting long-term stakeholder value.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human error, system failures, or external events. Given the Group's operations across four business lines — each with distinct process requirements, regulatory obligations, and technology dependencies — operational risk management demands structured oversight at both the business unit and Group levels.

Human Resource Risk

Human resource risks arise from weaknesses in workforce planning, talent acquisition and retention, employee conduct, organisational culture, and succession management. Skilled and motivated people are the Group's most

critical resource, and the loss of key personnel — particularly in specialist roles within the primary dealer and asset management businesses — poses a meaningful operational and reputational risk.

The Group manages human resource risk through its Human Capital Development model, which is designed to attract, develop, and retain talent by providing structured career pathways, performance-based incentives, and continuous professional development opportunities. The model fosters a culture of accountability and ethical conduct, reducing the risk of conduct-related incidents.

Business Continuity Risk

Business continuity risk is the risk that a disruptive event — whether a technology failure, natural disaster, or critical supplier outage — materially impairs the Group's ability to conduct its operations. Given the time-sensitive nature of government securities trading and settlement, continuity of operations is not merely a regulatory expectation but a commercial necessity.

The Group maintains a comprehensive Business Continuity Plan (BCP) that is reviewed and updated annually. The review process encompasses an assessment of procedure manuals, standard operating procedures, and internal policy documents against current operational realities. Business impact analyses and risk assessments are conducted regularly to identify critical functions and single points of failure, with significant findings reported to department heads for immediate remediation. Recovery time objectives are defined for each critical process, and BCP activation drills are conducted to validate the adequacy of contingency arrangements.

Reputational Risk

Reputational risk is the risk of damage to the Group's standing with clients, counterparties, regulators, investors, and the broader public as a result of

conduct failures, adverse business outcomes, or negative media coverage. For an investment banking group whose commercial franchise depends on the trust of institutional clients, high-net-worth investors, and regulatory authorities, reputational risk carries outsized consequences — a loss of confidence in any one business line can rapidly impair the Group's ability to conduct business across all four.

Key reputational risk drivers include regulatory sanctions or enforcement actions, perceived conflicts of interest in advisory or brokering activities, inadequate client disclosures, ESG-related concerns raised by institutional asset management clients, and the rapid amplification of adverse events through digital and social media channels. The Group addresses these risks through rigorous conduct standards, transparent client communication, proactive regulatory engagement, and a governance culture that places client interests and ethical conduct at the centre of decision-making.

Cyber and Data Risks

Cybersecurity

Cybersecurity risk encompasses the threat of data loss, system compromise, or service disruption arising from external cyber-attacks, ransomware, or insider threats. As a primary dealer and investment banking group handling high-value transactions and sensitive client information, the Group is a potential target for sophisticated cyberattacks — including AI-driven threat vectors that have grown significantly more prevalent across the financial services sector.

To address this risk, the Group has invested in enterprise-grade information security infrastructure, including next-generation firewalls, data loss prevention (DLP) systems, and endpoint protection platforms. All critical applications, trading systems, and privileged accounts are secured through multi-factor authentication (MFA), and all hardware

endpoints are protected by continuous antivirus and endpoint detection and response (EDR) monitoring.

User access rights are reviewed on a regular cycle to ensure that access privileges remain appropriate and that terminated or role-changed employees are promptly deprovisioned. An external, independent third party conducts semi-annual vulnerability assessments and penetration tests to identify and remediate security weaknesses before they can be exploited. A 24/7 Security Operations Centre (SOC) provides real-time threat detection and incident response capabilities, with escalation protocols embedded within the Group's Business Continuity Plan.

Data Protection and Privacy

Data risk relates to the Group's obligations around the collection, processing, storage, and disposal of personal data belonging to clients, employees, and other stakeholders. With the Personal Data Protection Act, No. 9 of 2022 (PDPA) now in force in Sri Lanka, the Group has undertaken a structured programme to align its data handling practices with the Act's requirements, including the principles of lawful processing, purpose limitation, and data minimisation set out therein.

Key elements of this programme include maintaining a register of personal data processing activities across business units, embedding data protection safeguards into client onboarding and KYC processes, and ensuring that data-sharing arrangements with third-party service providers and regional subsidiaries are governed by appropriate contractual protections. The Group has also established internal protocols for responding to data subject requests and for the timely notification of any personal data breach to the Data Protection Authority and affected individuals, in accordance with the timelines prescribed under the PDPA.

Employee awareness training on data protection obligations is conducted periodically, reinforcing individual accountability for safeguarding personal data handled in the course of business, alongside the broader cybersecurity training that supports the Group's first line of defence against social engineering and phishing-based attacks.

Regulatory and Compliance Risk

Regulatory and compliance risk is the risk of financial loss, regulatory sanction, or reputational damage arising from a failure to comply with applicable laws, regulations, directives, and codes of conduct. The CAL Group operates under the oversight of multiple regulatory bodies, including the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission of Sri Lanka (SEC), and the Colombo Stock Exchange (CSE), together with equivalent regulatory authorities in Bangladesh, the UAE, and Singapore, given the Group's regional footprint. Each of these regulators imposes specific conduct, capital, reporting, and operational requirements on the relevant business lines.

The Risk and Compliance Unit (RCU) maintains a continuous regulatory watch, tracking new directives, circulars, and legislative amendments across all jurisdictions in which the Group operates. Each business unit is responsible for maintaining up-to-date internal process manuals that reflect current regulatory requirements and industry standards. Quarterly compliance reports are submitted to the Board, and any instance of non-compliance — however identified — is reported promptly to the relevant regulator together with a detailed remediation plan and proposed corrective actions.

The Group's compliance culture is reinforced by its Internal Code of Ethics and Conduct, under which all members of the Board and employees affirm their adherence to prescribed policies, procedures, and ethical standards.

RISK MANAGEMENT REPORT

Strategic, ESG and Climate-Related Risks

Strategic Risk

Strategic risk is the risk that the Group's actual performance diverges materially from its intended strategy and business plan as a consequence of incorrect assumptions, poor strategic execution, or unexpected changes in the external environment. For a diversified investment banking group, strategic risk is inherently multi-dimensional — it encompasses the risk of misalignment between business mix and market conditions, the risk of competitive displacement by new entrants or technology-driven disruptors, and the risk of regulatory or structural changes that alter the economics of one or more business lines.

In 2026, the most significant strategic risks facing the Group include: continued interest rate cycle volatility and its impact on primary dealer margins; increasing competition from fintech platforms and AI-driven trading and brokering services; margin compression in both the retail brokering and institutional asset management segments; and the evolving demands of institutional clients for integrated, multi-product financial solutions. The Group's diversified business model — spanning primary dealing, brokering, asset management, and corporate finance — provides a natural hedge against single-business-line concentration and enhances the resilience of the Group's earnings profile.

Strategy and performance are standing agenda items at quarterly Board meetings, where the Board reviews progress against the strategic plan, assesses the adequacy of the Group's response to emerging risks, and provides directional guidance on strategic priorities. Management Committees meet more frequently to monitor execution quality, communicate changes in the business environment,

and agree on corrective actions where performance or risk indicators deviate from plan.

ESG and Climate-Related Risk

ESG and climate-related risk is the risk that environmental, social, and governance factors — including the physical and transition impacts of climate change — adversely affect the Group's operations, asset values, client relationships, or reputation. This risk manifests through two principal channels: physical risk, arising from extreme weather events and their downstream effects on the Sri Lankan economy and the Group's counterparties, and transition risk, arising from the shift in regulatory expectations, investor preferences, and market structures as capital increasingly favours ESG-aligned issuers and products.

Physical climate risk has direct relevance to the Group's primary dealing and asset management businesses. Extreme weather events, such as Cyclone Ditwah during the year under review, disrupt agricultural output and broader economic activity, which can in turn affect government revenue projections, sovereign credit dynamics, and the performance of debt instruments held within the Group's portfolios. The Group monitors these developments as part of its broader assessment of the macroeconomic operating environment.

Transition risk is increasingly shaping client demand and product strategy. Institutional and retail clients are showing growing interest in ESG-aligned and Sharia-compliant investment solutions, a trend the Group has responded to through the launch of its first Sharia-compliant unit trust fund during the year, with further products of this nature planned. Separately, evolving disclosure expectations — including the Group's continued alignment with the Global

Reporting Initiative (GRI) framework in its sustainability reporting — require ongoing investment in data collection and reporting capability across the Group's business units.

The Board oversees the Group's approach to ESG and climate-related risk as part of its broader risk governance responsibilities, with management tasked with integrating relevant environmental and social considerations into business planning, product development, and client engagement, in accordance with the Group's ESG framework.

RISK TOLERANCE

Risk tolerance defines the maximum level of risk variation that the Group is prepared to accept around its risk appetite, before escalation or remediation action is required. It translates the Board's broadly stated risk appetite into specific, quantifiable boundaries that can be monitored operationally by the RCU and the relevant business line heads.

All trading and investment decisions across the Group's portfolio are required to align with the risk tolerance parameters approved by the Board of Directors. These parameters are refreshed annually as part of the Risk Appetite Statement refresh, and any temporary or exceptional departure from defined tolerance bands requires approval at the appropriate level of authority — ranging from business unit head to Chief Executive Officer or Board, depending on the magnitude and duration of the deviation. Adherence to risk tolerance limits is a standing item in the RCU's quarterly reporting to the Board Risk Committee.

RISK MANAGEMENT MATRIX – FY 2025/2026

The following matrix sets out the Company's key risks, their assessed impact and likelihood, year-on-year rating comparisons, and the corresponding management responses.

SN	Risk Category	Risk Item	FY 2025/26	FY 2024/25	Trend
1	Macroeconomic Risk	Risk of Sovereign Default/Dollar Shortage & required remedial fiscal measures			↔
2	Market Risk	Interest Rate Risk			↓
3	Market Risk	Equity Price Risk			↔
4	Market Risk	Foreign Exchange Risk			↔
5	Credit Risk	Investment Default Risk			↔
6	Credit Risk	Settlement Risk			↔
7	Credit Risk	Management of Debtors			↔
8	Liquidity Risk	Liquidity Risk			↔
9	Operational Risk	Conflict of Interest			↔
10	Cyber and Data Risk	Cyber Security			↔
11	Cyber and Data Risk	Stability of Core Systems and Automation			↔
12	Operational Risk	Overall Succession Planning Framework			↔
13	Operational Risk	Staff Attrition			↔
14	Regulatory and Compliance Risk	Ad-hoc Changes in Tax Structure			↔
15	Regulatory and Compliance Risk	Regulatory Risk			↔

Rating  Low  Medium  High  Ultra-High

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating FY 2025/26	Risk Rating FY 2024/25	CAL Response
1	Macroeconomic Risk	Risk of Sovereign Default / Dollar Shortage & required remedial fiscal measures	External Environment	Potential catastrophic impacts to macro-economic fundamentals including rapid rise in interest rates, currency depreciation, and pressure on the banking system			Continually forecast and assess the likelihood of occurrence; forecast granular details of how macro factors will play out and implement best possible mitigation processes
2	Market Risk	Interest Rate Risk	External Environment	Negative impact on financial profitability due to unfavourable changes in interest rates			Manage portfolios; interest rate forecasts; data modelling and review of market trends; stop loss limits
3	Market Risk	Equity Price Risk	External Environment	Negative impact on financial profitability due to unfavourable changes in share prices			Manage portfolios; review of market trends; risk exposure limits; stop loss limits
4	Market Risk	Foreign Exchange Risk	External Environment	Loss of profits and increase in budgeted expenses			Planning and control of all payments in foreign currency
5	Credit Risk	Investment Default Risk	External Environment	Loss of reputation and brand image resulting in loss of profits			Due diligence; continuous monitoring; restructuring liability; relationship management

RISK MANAGEMENT REPORT

SN	Risk Category	Risk Item	Headline Risk	Impact	Risk Rating FY 2025/26	Risk Rating FY 2024/25	CAL Response
6	Credit Risk	Settlement Risk	Business Process	Delays in settlement; defaults could lead to loss of business and profits			Comprehensive evaluation of issuers
7	Credit Risk	Management of Debtors	Business Process	Loss of revenue / loss of business relationships with clients			Monitoring debtors and approximate probable loss limits; providing accurate and timely information to all debtors
8	Liquidity Risk	Liquidity Risk	Business Strategies and Policies	Inability to make payments due to mismatches in investments; reputational risk if unable to wind down positions			Monitoring liquidity requirements; contingency funding lines; monitoring of repo borrowings including maturity profiles; effective treasury management
9	Operational Risk	Conflict of Interest	Business Process	Brand reputation and possible legal implications			Ensure independence between the different strategic business units
10	Cyber and Data Risk	Cyber Security	Technology and Data	Loss of data and reputation			Continuous training on cyber security risks; conducting vulnerability assessments and audits; continuously monitoring antivirus protections
11	Cyber and Data Risk	Stability of Core Systems and Automation	Technology and Data	Disruption to business activities			Continuous monitoring of systems and connectivity; establishing system documentation; ongoing automation to eliminate manual processes
12	Operational Risk	Overall Succession Planning Framework	Organisation and People	Disruption to smooth transitioning of key roles within the Company			Establishing a framework for succession planning based on competencies and skills across all levels
13	Operational Risk	Staff Attrition	Organisation and People	Disruption to continuity of smooth business operations			Focus on human resource development activities; monitor staff turnover; SOPs in place for new staff; efficient staff hiring processes
14	Regulatory and Compliance Risk	Ad-hoc Changes in Tax Structure	External Environment	Loss of profitability; inability to meet budgeted profits for the Company			Effective tax planning strategies; continuous communication with external consultants for tax advisory services
15	Regulatory and Compliance Risk	Regulatory Risk	External Environment	Failure to adhere to laws, regulations, and directives issued by CBSL, CSE, SEC, IRD, and other governing bodies; revocation of licenses and imposition of penalties			Thorough and efficient monitoring of regulations set forth by all regulatory bodies



GOVERNANCE & COMPLIANCE

*Steady hands, precisely
engineered governance.*

BOARD OF DIRECTORS

The Board of Directors of Capital Alliance Holdings PLC comprises Nine (09) Directors of whom three (3) are Non-Executive Independent Directors, five (05) are Non-Executive Non-Independent Directors and One (01) is an Executive Non-Independent Director.

The Board of Directors is as follows.

Mr. D. A. De Zoysa	Chairman, Non-Executive Non-Independent Director
Mr. K. P. Mannakkara	Executive Non-Independent Director
Mr. W. A. T. Fernando	Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony	Non-Executive Non-Independent Director
Mr. T. J. William	Non-Executive Non-Independent Director
Ms. N. T. M. S. Cooray	Non-Executive Non-Independent Director
Ms. W. T. V. Perera	Non-Executive Independent Director
Ms. K. A. Chellaraja	Non-Executive Independent Director
Ms. R. S. Jayasuriya	Non-Executive Independent Director

BOARD SUB-COMMITTEE KEY

AC

Audit Committee

RPT

Related Party Transactions Review Committee

REM

Remuneration Committee

NGC

Nominations and Governance Committee

RAC

Risk Advisory Committee

C A superscript "C" next to a committee code indicates the director chairs that committee; otherwise, the director is a member.

BOARD SUB-COMMITTEE MEMBERSHIP MATRIX

Director	AC	RPT	REM	NGC	RAC
Mr. D. A. De Zoysa			REM	NGC	RAC
Mr. K. P. Mannakkara					
Mr. W. A. T. Fernando			REM		
Mr. C. S. R. S. Anthony	AC	RPT			RAC
Mr. T. J. William					C
Ms. N. T. M. S. Cooray			REM		
Ms. W. T. V. Perera	C	RPT			
Ms. K. A. Chellaraja	AC	C	C	NGC	
Ms. R. S. Jayasuriya			REM	C	

☐ | Member **C** | Chairperson

Mr. D. A. De Zoysa

➔ **Chairman - Non-Executive Non-Independent Director**

➔ Board Sub-Committees

REM **NGC** **RAC**

Mr. D. A. De Zoysa has served as a Director since 2003 and currently serves as Chairman of Capital Alliance Holdings PLC.

With a career spanning nearly four decades, Mr. De Zoysa brings a strong multi-sector perspective manufacturing and trading, risk and insurance services, travel and hospitality, and human resource

advisory. His executive and board roles reflect a consistent focus on governance, risk management, ethics, and the disciplined development of diversified businesses.

He serves as the Managing Director of Associated Electrical Corporation Limited and holds directorships across a range of listed and unlisted entities, contributing to board-level decision-making, institutional strengthening, and long-term value creation.

Beyond his corporate responsibilities, Mr. De Zoysa is actively engaged in education as the Managing Trustee of

Musaeus College, Colombo, where he provides leadership towards governance, institutional transformation, and the development of future generations.

Mr. De Zoysa holds a degree in Finance and Information Technology from the University of Technology, Sydney, and a master's in insurance and Sustainable Risk Management from Glasgow Caledonian University, London.

➔ Other Directorships Held

Associated Electrical Corporation Ltd, ADZ Insurance Brokers (Pvt) Ltd, Capital Alliance PLC, A E C Properties (Pvt) Ltd, Commercial Agencies (Ceylon) (Pvt)

Ltd, Ajita De Zoysa and (Company) (Pvt) Ltd, Corporate Druids (Pvt) Ltd, Wizard Entertainment (Pvt) Ltd, Aurora Amicitia (Pvt) Ltd, Granite Capital (Pvt) Ltd, SLT Campus (Pvt) Ltd, Park Street Social (Pvt) Ltd, Vivege Designs (Pvt) Ltd, Finco Holdings (Pvt) Ltd and its related entities (Finco Group).

Mr. K. P. Mannakkara

➤ **Executive Non-Independent Director**

➡ Board Sub-Committees

The CEO is not a member of any Board Subcommittees; however, committee meetings are attended by invitation as required.

A member of the CAL management team since 2018, Mr. Mannakkara was appointed to the Board on the 24th July 2025.

He has experience doing business in multiple countries and cultures in a career spanning nearly 21 years. Prior to CAL, he held several senior positions at the MAS Group in Sri Lanka and overseas, in diverse business areas ranging from treasury and corporate finance to design and product innovation. He was responsible for setting up the centralised treasury function at MAS in 2007 and managed the reserves of MAS across multiple asset classes, currencies and countries during the period from 2007 to 2013.

Mr. Mannakkara holds a bachelor's degree in Economics and Finance from the University of Bristol, UK and has undergone executive education at the Wharton School and the Tuck School of Business, USA.

➡ Other Directorships Held

Capital Alliance Investments Limited, CAL Investment Consultancy FZ LLC, Capital Alliance Advisory Services (Pvt) Ltd, CAL Investments Limited (Bangladesh), CAL Global Pte Ltd, JF&I Packaging (Pvt) Ltd, Cornerstone Ventures (Pvt) Ltd, Coromandel (Pvt) Ltd, Ceylon Cinnamon Traders (Pvt) Ltd, Modern Pack Lanka (Pvt) Ltd, Curry King (Pvt) Ltd

Mr. W. A. T. Fernando

➤ **Non-Executive Non-Independent Director**

➡ Board Sub-Committees

REM

Mr. Fernando has served in the board since founding the Company in March 2003 and currently serves as the Chairman of Capital Alliance PLC. He has over 35 years of experience in the Primary Dealing industry. Mr. Fernando currently serves as the Chairman of Hemas Holdings PLC, Logicare (Private) Limited and Sri Lanka Technology Campus (Pvt) Ltd. He is a Fellow member of the Chartered Institute of Management Accountants (UK) and holds an MA in Financial Economics from the University of Colombo.

➡ Other Directorships Held

ADZ Insurance Brokers (Pvt) Ltd, Asothi Holdings (Pvt) Ltd, Capital Alliance PLC, CAL Bangladesh Ltd, CAL Investment Consultancy FZ LLC, Ceylon Tea Brokers PLC, Logicare (Pvt) Ltd, The Metal Factor, Sri Lanka Technology Campus (Pvt) Ltd, Rockland Distilleries (Pvt) Ltd, Hemas Holdings PLC

Mr. C. S. R. S. Anthony

➤ **Non-Executive Non-Independent Director**

➡ Board Sub-Committees

AC RPT RAC

Mr. Sanjeeva Anthony is an Attorney-at-Law of the Supreme Court of the Democratic Socialist Republic of Sri Lanka, Notary Public of Colombo, 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). A Life Member of the Bar Association of Sri Lanka ("BASL").

➡ Other Directorships Held

Companies within the Jetwing Group, The Lighthouse Hotel PLC, Capital Alliance PLC.

Mr. T. J. William

➤ **Non-Executive - Non-Independent Director**

➡ Board Sub-Committees

RAC^c

Mr. William counts on more than 27 years of investment banking and capital market experience in senior positions with leading global investment banks including Bank of America and Morgan Stanley, in London, San Francisco, Hong Kong and Sydney. His extensive industry-expertise and global outlook fittingly complements and reinforces CAL's superior reputation and leading market position in Corporate Finance, Advisory, Debt Capital Markets and Funds Management.

During the year under review, Mr. William ceased to meet the applicable criteria for classification as an Independent Non-Executive Director upon completion of the prescribed tenure. Accordingly, from 8th August 2025 he was reclassified as a Non-Independent Non-Executive Director.

➡ Other Directorships Held

Granite Capital Pvt Ltd, Fortude (Pvt) Limited, The Risk Board, Brandix Lanka Ltd, Magma Capital Partners

Ms. N. T. M. S. Cooray

➤ **Non-Executive - Non-Independent Director**

➡ Board Sub-Committees

REM

Ms. Shiromal Cooray is the Chairman and Managing Director of Jetwing Travels (Private) Limited, one of the leading destination management companies in Sri Lanka. With diverse experience in a number of industries, Shiromal also holds other directorates in hotels, finance, investment banking, Commodity brokering, and Insurance.

BOARD OF DIRECTORS

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 the past Chairman of the Sri Lanka Institute of Directors (SLID) and past President of the Sri Lanka Association of Inbound Tour Operators.

Other Directorships Held

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, Ceylon Tea Brokers PLC, Go Vacations Lanka (Pvt) Ltd, Jet Enterprises (Pvt) Ltd, Allianz Insurance Lanka Ltd, Saman Villas Ltd

Ms. W. T. V. Perera

Non-Executive Independent Director

Board Sub-Committees

AC^c RPT

Thusitha Perera has many years of local and international experience in International Finance, managing Global Business Services, Financial Planning, Business development and People Development. She counts 25 years of experience with two global multinationals, Holcim and Michelin. She held multiple international roles in Holcim, namely Commercial Controller in Australia, Regional Controller based in Switzerland for South-east Asia (in Indonesia, Vietnam and Thailand) and Finance Director in the Philippines.

The last role held was the CFO/Executive Director of Michelin Lanka Pvt Ltd up to August 2024. She also currently serves on the Board of Hemas Holdings PLC as an Independent Non-Executive Director.

Thusitha Perera is a Member of CPA Australia and holds a Master's Degree

from QUT Australia in International Business.

Other Directorships Held

Hemas Holdings PLC, Vividha Options Pvt Ltd, Multiplus Pvt Ltd, Avinya Foundation

Ms. K. A. Chellaraja

Non-Executive Independent Director

Board Sub-Committees

AC RPT^c REM^c NGC

Kasturi Angela Chellaraja is the Chief Operating Officer (Head of APAC) at 5hour International Corporation. With over three decades of leadership experience, she previously spent 22 years at Hemas Holdings PLC, where she held multiple senior roles and served as Group CEO from 2020 to 2024, becoming the first female CEO of a listed conglomerate in Sri Lanka.

She currently serves as a Non-Executive Director / Board Advisor on several prominent boards, including National Development Bank PLC, Senkadagala Finance PLC and Midas Safety Holdings (UAE). In recognition of her contributions to business and leadership, Kasturi was named a Top Woman Change-Maker by the Sri Lankan Parliament in 2019 and received the Business Leader of the Year award at the SAP Dare to Dream Awards in 2023.

A Fellow member of CIMA and an alumna of Harvard Business School, Kasturi began her career in 1988 as an Audit Trainee at Someswaran Jayawickrema & Co (now Deloitte). She joined Hemas in 2002 and went on to lead key business verticals, including Pharmaceuticals & Diagnostics and Mobility.

Other Directorships Held

National Development Bank PLC, Ceylon Chamber of Commerce, Mercantile Services and Provident Society, Senkadagala Finance PLC, Midas Safety Holdings (UAE)

Ms. R. S. Jayasuriya

Non-Executive Independent Director

Board Sub-Committees

REM NGC^c

Rajitha serves as Director-Corporate Affairs at MAS Holdings, a USD 2 Billion Apparel Tech conglomerate and one of South Asia's most recognised apparel solutions providers. In this role, she plays a central part in shaping the organisation's strategic reputation, regulatory engagement, and governance architecture. She leads a multidisciplinary Corporate Affairs portfolio encompassing Corporate Communications, Sustainability & ESG Strategy, Legal, IP & Regulatory Affairs, Governance & Compliance, and Government, Diplomatic & Trade Relations.

Rajitha is also the Chairperson of the Sri Lanka Apparel Exporters' Association (SLAEA). Appointed in January 2025 as the first woman to lead the Association representing the country's largest export sector, she is a prominent voice navigating the industry through rapidly evolving global trade, regulatory, and sustainability demands.

Rajitha is an Attorney-at-Law of the Supreme Court of Sri Lanka. She holds an LL.M from Monash University and has completed Executive Leadership Development Programmes at Stanford Graduate School of Business, the NUS Business School, and the Centre for Creative Leadership.

Other Directorships Held

MAS Capital (Pvt) Ltd, MAS Foundation of Change, MAS Intimates Kenya, Sri Lanka Apparel Exporters' Association (SLAEA)

SENIOR LEADERSHIP

Mr. Kanishke Mannakkara

➤ Group Chief Executive Officer

A member of the CAL management team since 2018, Mr. Mannakkara has experience doing business in multiple countries and cultures in a career spanning nearly 21 years. Prior to CAL, he held several senior positions at the MAS Group in Sri Lanka and overseas, in diverse business areas ranging from treasury and corporate finance to design and product innovation. He was responsible for setting up the centralised treasury function at MAS in 2007 and managed the reserves of MAS across multiple asset classes, currencies and countries during the period from 2007 to 2013.

Mr. Mannakkara has a bachelor's degree in Economics and Finance from the University of Bristol, UK. He has undergone executive education at the Wharton School and the Tuck School of Business, USA.

He serves as the Chairman at Capital Alliance Investments Limited, and as a Director at CAL Investment Consultancy FZ LLC, Capital Alliance Advisory Services (Pvt) Ltd, CAL Investments Limited (Bangladesh), CAL Global Pte Ltd, JF&I Packaging (Pvt) Ltd, Cornerstone Ventures (Pvt) Ltd, Coromandel (Pvt) Ltd, Ceylon Cinnamon Traders (Pvt) Ltd, Modern Pack Lanka (Pvt) Ltd, Curry King (Pvt) Ltd.

Mr. Deshan Pushparajah

➤ Managing Director - Global Markets and Country Head – CAL Bangladesh

Mr. Pushparajah is the Managing Director - Global Markets of CAL & Country Head for CAL Bangladesh. He is an expert at public and private capital markets, sell-side research and M&A. With over 19 years of experience in investment banking, Mr. Pushparajah enjoys the trust of an established network of clients globally. He has been with the Group since 2007 and has been instrumental in CAL emerging as a market leader in capital markets in Sri Lanka and the figure head of CAL's efforts in Bangladesh. Mr. Pushparajah is

a CFA charterholder (USA) and also holds a bachelor's degree in Applied Accounting from Oxford Brookes University (UK). He is also a Fellow Member of the Association of Chartered Certified Accountants, UK and a Fellow member of the Chartered Institute of Management Accountants, UK.

Mr. Pushparajah is also an expert on Family Governance advisory and is a certified Family Enterprise Advisor by Family Enterprise Canada.

Deshan serves on the Boards of Kilimanjaro Investments (Pvt) Ltd, CAL (Pvt) Ltd, Capital Alliance Securities (Pvt) Ltd, CAL Investments Limited (Bangladesh), CAL Investment Consultancy FZ LLC UAE, Yehuda Investment Holdings Limited UAE and CAL Bangladesh Limited.

Mr. Sanura Silva

➤ Chief Executive Officer – Capital Alliance PLC

Sanura was appointed as Chief Executive Officer of Capital Alliance PLC on 11th April 2025. Having joined CALT in 2017, he leads the Company's Fixed Income and Equity portfolios and heads the trading team responsible for managing the Fixed Income Portfolio and servicing clients investing in Government Securities. In this role he drives the interest rate view and investment decision-making across Fixed Income and listed Equity to maximise the Company's trading profitability. As a member of the Group's Senior Leadership Team, he contributes to CAL's strategic direction while overseeing the macroeconomic research and analysis that guide the Group's investment decisions. Sanura also serves as a Director of the Association of Primary Dealers, which plays an active role in the development of Sri Lanka's capital markets.

He holds a Bachelor of Science and a Master of Science from the University of Melbourne, Australia. He is a registered Investment Advisor licensed by the Securities and Exchange Commission of Sri Lanka and has passed CFA Level II.

Mr. Nishok Goonasekera

➤ Chief Executive Officer – Capital Alliance Partners Limited

Mr. Nishok Goonasekera is the Chief Executive Officer of Capital Alliance Partners. Since joining the firm three years ago, he has been instrumental in shaping its strategic direction, driving the expansion of the corporate finance business and strengthening its presence in both local and international markets.

With over 15 years of experience in global financial markets, Nishok's career spans leadership roles at J.P. Morgan and Morgan Stanley across London, Singapore, and Hong Kong. He previously served as an Executive Director at Morgan Stanley in Hong Kong, advising a sophisticated institutional client base including multi-strategy hedge funds and global emerging market asset managers.

Nishok holds a Bachelor's Degree in Computer Engineering from Imperial College, London.

He serves as a Director of both CAL Investments Limited (Bangladesh) and Lankan Angel Network (Private) Limited.

Mr. Udeeshan Jonas

➤ Chief Strategist, CAL Group

Udeeshan Jonas is the Chief Strategist of CAL Group, where he leads the organisation's corporate strategy, group investments, macro strategy, and data analytics.

He joined CAL in 2011 and has since progressed through several senior leadership roles across the group, including Head of Research at CAL Securities and Fund Manager at CAL Investments. During his tenure as Head of Research, he played a defining role in reshaping capital market research in Sri Lanka – a contribution that helped CAL Securities win the Best Research Team in Sri Lanka award from CFA Sri Lanka for three consecutive years.

SENIOR LEADERSHIP

A CFA charterholder and Associate Member of CIMA (UK), Udeeshan holds a Bachelor of Business from Edith Cowan University, Australia.

Beyond his executive responsibilities, he serves on the Boards of Capital Alliance Partners Ltd, Capital Alliance Securities (Pvt) Ltd, Finnovation (Pvt) Ltd, and Capital Alliance Securities Bangladesh, providing strategic oversight and driving innovation across the group's subsidiaries.

Mr. Lahiru Ariyaratne

🔗 **Chief Executive Officer – Capital Alliance Securities (Private) Limited**

A Registered Investment Advisor and a key player with over 11 years of expertise in Stock Brokering, Mr. Ariyaratne joined the team as the CEO of Capital Alliance Securities (Private) Limited and Chief Growth Officer for the CAL Group.

He holds a BA (Hons) in Business Studies from the University of Wales Institute, Cardiff and a Masters in Financial Economics from the University of Colombo.

Mr. Ariyaratne has both local and international exposure to business operations and he is a former employee of Asia Securities, DSG Retail Limited – UK, Morrart Group – UK and Arif Habib Investments Limited – India.

Mr. Gayan De Silva, CFA

🔗 **Chief Executive Officer – Capital Alliance Investments Limited**

Gayan De Silva currently heads the Asset Management function at Capital Alliance Investments Limited (CALI). He brings over 12 years of experience across Private Wealth Management, Unit Trust Fund Management, Research, and Sales.

Prior to joining CAL, Gayan served in the Business Risk Services division at Ernst & Young, Sri Lanka, where he gained strong exposure to risk management, internal controls, and advisory services.

Gayan is a CFA charterholder and an Associate Member of the Chartered Institute of Management Accountants (ACMA/CGMA), UK.

Ms. Trisha Peries, CFA

🔗 **Head of Research**

Ms. Peries serves as the Head of Research at CAL and has over a decade of experience in Sri Lanka's financial markets, with expertise in providing macroeconomic views and advising in portfolio decisions for some of Sri Lanka's largest corporations and investment funds. Prior to joining CAL, she functioned as the Head of Economic Research at Frontier Research. Trisha is also a member of the Board of Trustees of the CEPA (Centre for Poverty Analysis) Development Fund.

Trisha is a CFA charterholder, an Associate Member of the Chartered Institute of Management Accountants (UK) and holds a Bachelor's degree in Economics and Finance through the University of London International Programme.

Mr. Tharindra Kulasinghe

🔗 **Chief Information Officer – CAL Group**

With CAL's reliance on IT to propel the company forward by capitalising on increased market opportunity both locally and globally, Mr. Kulasinghe steers the transformation of the entire Group's IT environment, whether in the areas of technology infrastructure, software, product development and digital transformation. He guides the strategy, introduction, implementation, management, and support aspects of the full range of technology-led initiatives within the Group.

With a MEng Degree (First Class) in Mechanical Engineering and Business Management, a BEng in Mechanical Engineering, as well as PRINCE2 Project Management Professional credentials to his name, Mr. Kulasinghe has cut his teeth at leading technology companies

such as Millenium IT (now LSEG – London Stock Exchange Group Technology) and Brandix i3 – now Fortude. Tharindra also currently serves on the Board of Rockland Distilleries Pvt. Ltd as an Independent Non-Executive Director.

Ms. Sharmali Perera

🔗 **Chief Risk & Compliance Officer**

Drawing on 24-plus years of experience in the financial services industry, Ms. Perera is a founding member of CAL and has been an integral member since its establishment in 2000.

Reporting directly to the Board Risk Advisory Committee while being responsible for the effectiveness and compliance aspects of statutory reporting requirements, she's led the implementation of a comprehensive risk framework encompassing group-wide risk avenues.

This is of key strategic importance in realising the company's future goals, where new levels of income and market share are measured in line with the risk-reward balance.

She started her career at Hatton National Bank in January 1984 where she held the position of Banking Assistant until January 1990. She was Manager - Margin Trading at Seylan Merchant Bank from January 1994 to January 1998 and was Assistant Manager - Treasury at Vanik Incorporation until January 2000.

An Associate Member of the Chartered Institute of Management Accountants (UK), Ms. Perera also serves on the Boards of Ceylon Tea Brokers PLC, Finnovation (Private) Limited, Capital Alliance Partners Limited, Capital Alliance Securities (Pvt) Limited, CAL Investments Limited and Capital Alliance Advisory Services (Pvt) Ltd.

Ms. Rushika Bemunuge**🔗 Designate Chief Risk & Compliance Officer**

Rushika joins the CAL team, with over 18 years of Risk Management experience, with specialty focus in Risk Governance Structures and Market Risk Management in the Financial Sector. She previously held the position of Chief Risk Officer at Softlogic Life Insurance PLC, where she was instrumental in establishing the Risk Management Unit and successfully designing and implementing the Risk Framework and Risk Processes of the Company. Rushika holds a Masters in Financial Economics from the University of Colombo and a BSc. Economics from the London School of Economics and Political Science. She also holds an award in Risk in Financial Services through the Chartered Institute for Securities & Investments, UK.

Ms. Anushi Jayasinghe**🔗 Chief Human Resource Officer - HR - CAL Group**

Anushi is an 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 MAS Holdings, Heineken Lanka Ltd, and Hela Apparel Holdings, leading HR functions across multiple geographies.

She is a Fellow member of the Chartered Institute of Management Accountants (UK) with an MBA from the University of Colombo and executive training from Stanford, NUS and CCL. She brings strategic insight and a commitment to fostering growth and a positive workplace culture.

Mr. Channa Gunasekera**🔗 Chief Financial Officer - CAL Group**

Mr. Gunasekera holds a Master of Business Administration from the Postgraduate Institute of Management, University of Sri Jayewardenepura, and is a Fellow of CA Sri Lanka and CIMA, UK.

He has over 20 years of C-level experience spanning Banking & Finance, Infrastructure, Manufacturing, Retail, Services and Consultancy. He has previously held the positions of CFO at HSBC-Sri Lanka & Maldives and multiple senior positions in the John Keells Group. He has previously served as a Member of Council of CA Sri Lanka, and brings in a wealth of knowledge and experience into the management team.

Mr. Sidantha Goonesekera**🔗 Head of Operations**

Mr. Goonesekera brings over 22 years of experience across the banking and apparel industries, with a strong background in finance and corporate banking, prior to joining CAL. He currently heads the Operations function for multiple CAL Group companies, spanning Primary Dealing, Stockbroking, and Asset Management. In addition, he oversees Client Onboarding and Customer Servicing functions across the Group.

He holds an MBA from the University of Colombo, is a Fellow Member of the Chartered Institute of Management Accountants (CIMA – UK) and also possesses a BSc in Computing and Information Systems.

CHAIRMAN'S STATEMENT

CHAIRMAN'S STATEMENT

PRINCIPLED GOVERNANCE & COMPLIANCE

At Capital Alliance Holdings PLC (CAL), robust governance and strict compliance underpin everything we do. Led by our Chief Risk and Compliance Officer (CRCO), the Compliance function ensures our operations meet all regulatory requirements while reflecting the ethical standards set by the Board.

BOARD OVERSIGHT & RISK INTEGRATION

A well-skilled and experienced Board provides the strategic direction necessary to navigate an evolving business environment. Our Board is composed of a robust blend of skills, expertise, and perspectives, ensuring comprehensive decision-making processes that align with our long-term vision. The inclusion of independent non-executive directors further enhances impartiality, accountability, and governance integrity, strengthening confidence in our leadership.

Maintaining an independent reporting line directly to the Risk Advisory and the Audit Committee, the CRCO exercises autonomous control to enforce risk management and compliance across all Group operations. The team actively monitors ongoing business activities to ensure seamless alignment with Board-approved policies and risk appetite parameters.

SETTING THE TONE AT THE TOP

The Board maintains an active “tone at the top,” and fosters a culture of accountability, compliance, and ethical conduct. At the operational level, this culture is reinforced through a comprehensive, risk-based assessment framework. Furthermore, the Audit Committee oversees our Internal Audit Framework, providing rigorous, independent assurance over our compliance posture, internal controls, and ethical standards.

REGULATORY COMPLIANCE STATEMENT

On behalf of the Board of Directors, I am pleased to confirm that CAL's Governance Framework fully satisfies all statutory and regulatory mandates established by our primary regulatory authorities—including the Central Bank of Sri Lanka (CBSL), the Securities and Exchange Commission of Sri Lanka (SEC), and the Colombo Stock Exchange (CSE)—along with all other laws governing our daily business operations.

Furthermore, I confirm that all members of the Board and CAL employees have discharged their duties in strict alignment with our internal Code of Ethics and Conduct.

Looking ahead, we remain steadfast in maintaining the highest standards of governance and integrity, safeguarding stakeholder value, and sustaining the long-term growth of the CAL Group.



Mr. D. A. De Zoysa
Chairman

31st August 2026

OUR APPROACH TO GOVERNANCE

THE CAL GROUP'S APPROACH TO GOVERNANCE

Commitment to Excellence

The Board of Directors of Capital Alliance Group (CAL) remains steadfast in upholding the highest standards of corporate governance, anchored in the conviction that robust governance is paramount to driving sustainable, long-term enterprise value. The Board proactively fosters a strong culture of accountability and oversight, positioning sound governance as a core pillar of our overall business strategy.

We believe that integrity and responsible conduct across all organisational levels are vital to effective governance. From the strategic leadership of our Board of Directors and Corporate Management to the daily contributions of our operational teams, every individual plays a key role in upholding the ethical principles that define our culture. A robust framework of governance structures, processes, and guidelines underpins this commitment, ensuring that high standards are maintained and stakeholder interests are effectively safeguarded.

Regulatory Compliance & Best Practice Benchmark

CAL's governance structure strictly adheres to all statutory requirements and regulatory frameworks governing its operating sectors. Beyond mandatory compliance, the Group actively benchmarks its practices against top-tier corporate standards, including the voluntary adoption of the Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC).

Internal Oversight & Leadership

To operationalise these principles, CAL maintains robust internal control and risk governance frameworks tailored across its diverse business lines. Financial integrity and operational efficiency are continuously strengthened through our internal audit function and regulatory adherence protocols. Additionally, independent oversight by external auditors reinforces transparency, safeguarding stakeholder interests and reflecting our commitment to corporate responsibility. This dual approach—combining voluntary alignment with premier national standards and rigorous internal policy enforcement—underscores CAL's position as a market leader in governance and compliance excellence.

Internal Governance Structure

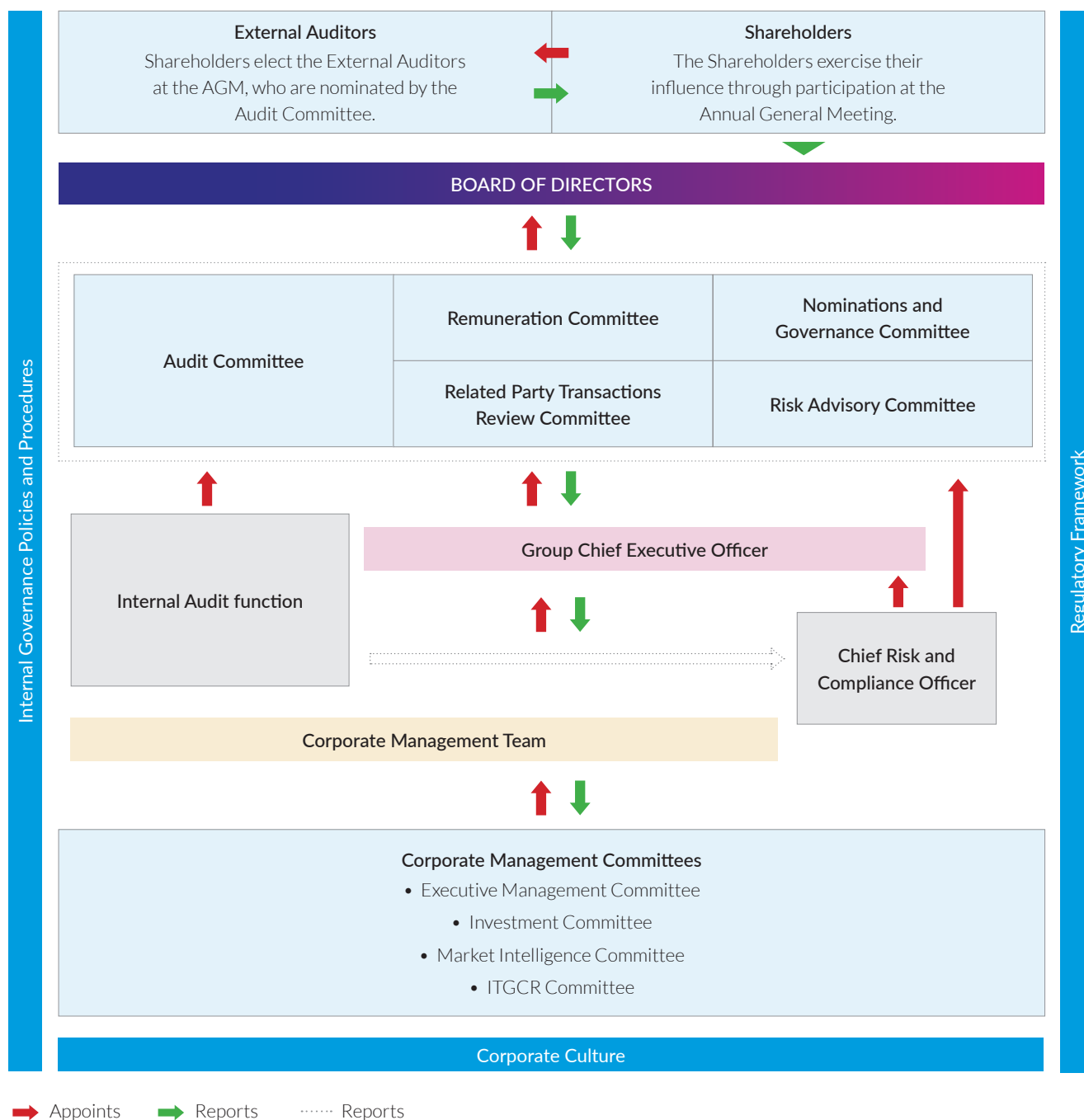
The corporate governance framework of Capital Alliance Group (CAL) is anchored by the Board of Directors, the apex governing body responsible for setting strategic direction, appointing External Auditors, and delegating day-to-day operational management to the Group CEO. To maintain robust oversight, financial integrity, and risk discipline, the Board operates through key Board Committees: the Audit Committee, which reviews the integrity of the Group's financial statements and oversees the internal control environment; the Risk Advisory Committee, which ensures comprehensive risk oversight; the Remuneration Committee, which aligns executive compensation with long-term strategy and industry standards; the Nominations and Governance Committee, which oversees Board and Key Management Personnel appointments and succession; and the Related Party Transactions Review Committee, which reviews related party transactions in

terms of the Listing Rules. Independent assurance across this structure is provided by the Internal Auditor, who evaluates controls and reports directly to the Audit Committee, and the External Auditors, appointed by the Board to independently audit the financial statements and present findings to the Audit Committee.

At the operational level, executive leadership is driven by the Group CEO, who exercises delegated authority from the Board to manage daily group operations. The CEO is supported by a suite of specialised Management Committees that drive operational rigour, strategic execution, and specialised governance:

- **Executive Management Committee:** Oversees group-wide operational execution, cross-functional strategy alignment, and daily administrative performance.
- **Investment Committee:** Ensures prudent asset management by upholding rigorous standards for secure and safe investments.
- **IT Governance, Cybersecurity, and Risk (ITGCR) Committee:** Directs technology strategy, safeguards digital assets, and enforces IT risk and compliance protocols.
- **Market Intelligence Committee:** Analyses macroeconomic trends, capital market developments, and strategic risks to inform executive decision-making.

OUR APPROACH TO GOVERNANCE



COMPONENTS OF THE GOVERNANCE FRAMEWORK

External Governance Framework	
Mandatory Regulatory Requirements	- Companies Act No. 07 of 2007 and amendments thereto - Inland Revenue Act No. 24 of 2017 and amendments thereto - Shop and Office Employees Act No. 19 of 1954 and subsequent amendments - Local Treasury Bills Ordinance No. 31 of 1995 and amendments thereto - Registered Stock and Securities (Primary Dealers) Regulations No. 01 of 2009 and amendments thereto - CSE Listing Rules - Laws, Rules, Regulations, Directives and Circulars issued by CBSL / SEC / CSE / CDS - Securities and Exchange Commission of Sri Lanka (SEC) Act No. 19 of 2021, including Directives and Circulars - Foreign Exchange Act No. 12 of 2017 and other related laws, regulations, Directions and Circulars issued by the Department of Foreign Exchange and CBSL, and subsequent amendments - Financial Transactions Reporting Act, No. 6 of 2006 - Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
Voluntary Best Practice	- Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka - Code of Best Practices on Corporate Governance (2013) jointly issued by the SEC and CA Sri Lanka
Internal Governance Framework	
- Articles of Association of the Company - Terms of Reference and Charters of the Board, Board Sub Committees, and Management Committees - Integrated Risk Management Framework - Key Operational Governance Policies - Code of Business Conduct and Ethics - Business continuity plan - Internal Audit Framework	

BOARD LEADERSHIP IN GOVERNANCE

Board Responsibilities & Strategic Oversight

The Board of Directors of CAL Group operates strictly in alignment with the mandates and responsibilities established in its Board Charter. As the apex governing body, the Board serves as the ultimate custodian of the Group's purpose, core values, and strategic direction. Its primary responsibilities include formulating long-term strategy, evaluating strategic and operational priorities, approving annual financial statements and operating budgets, and rigorously assessing the performance of both individual business units and the consolidated Group. Furthermore, the Board ensures that the senior management team possesses the requisite bench strength, skills, and expertise to execute corporate goals, supported by a structured succession planning framework across all business units.

Compliance & Regulatory Control

The Directors maintain an uncompromising commitment to legal and regulatory compliance across all operating jurisdictions. To ensure continuous adherence to statutory mandates, the Board is supported directly by the Chief Risk and Compliance Officer (CRCO). This integrated function ensures comprehensive oversight and provides direct, transparent reporting on all compliance-related matters and regulatory obligations to the Board.

Board Meetings & Oversight Rigour

The Board convenes at regular intervals to execute its fiduciary duties, with Directors expected to attend all scheduled sessions. Agenda setting is led by the Board Chairman, with comprehensive board papers and documentation distributed well in advance of each meeting to facilitate rigorous review and informed decision-making. During FY 2025/26, the Board held five formal meetings.

Complementing these formal sessions, regular performance review meetings were conducted throughout FY 2025/26 with active Director participation. These monthly engagements allow the Board to evaluate operational milestones, enforce executive accountability, and provide strategic counsel to the senior management team.

The Board Composition and Independence

To prevent any individual Director or a limited subset of Directors from exerting undue influence over the Board's discussion and decision making, the CAL Group maintains a harmoniously structured Board. The Board comprises Nine (09) Directors, of whom three (03) are Non-Executive Independent Directors, five (05) are Non-Executive Non-Independent Directors and one (01) is an Executive Non-Independent Director.

The independence of the Directors is evaluated in line with the Corporate Governance best practices, and the Independent Non-Executive Directors have formally affirmed their independence in written declarations. This approach ensures a balanced and transparent composition within the Board.

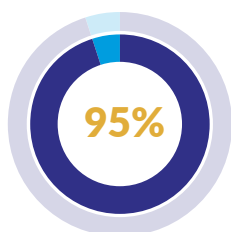
A well-defined separation of roles between the Chairman and the Group CEO ensures a balance of power and authority. The Chairman oversees Board efficacy and conduct, while the Group CEO is responsible for the operating divisions, organisational efficiency, and the implementation of Board policies and resolutions.

The Board consists of Directors who are experts, academics, or leaders in their respective fields, holding prominent positions and their extensive experience spans various industries and functional areas. Comprehensive profiles of each member of the Board are provided earlier under section "Board of Directors" of this Annual Report (Pages 54 to 56).

Name	Date of Appointment	No. of Years	Designation
Mr. D. A. De Zoysa	20.03.2003	23 Years	Non-Executive Non-Independent Director
Mr. K. P. Mannakkara	24.07.2025	1 Year	Executive Non-Independent Director
Mr. W. A. T. Fernando	20.03.2003	23 Years	Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony	01.03.2019	7 Years	Non-Executive Non-Independent Director
Ms. N. T. M. S. Cooray	20.03.2003	23 Years	Non-Executive Non-Independent Director
Mr. T. J. William	08.08.2016	10 Years	Non-Executive Non-Independent Director (Reclassified as non independent owing to tenure w.e.f. 08.08.2025)
Ms. W. T. V. Perera	18.07.2024	2 Years	Non-Executive Independent Director
Ms. K. A. Chellaraja	18.07.2024	2 Years	Non-Executive Independent Director
Ms. R. S. Jayasuriya	08.08.2019	7 Years	Non-Executive Independent Director

Mr. R. J. Arasaratnam, Non-Executive Non-Independent Director, resigned from the Board with effect from 17th November 2025. Mr. K. P. Mannakkara was appointed to the Board with effect from 24th July 2025.

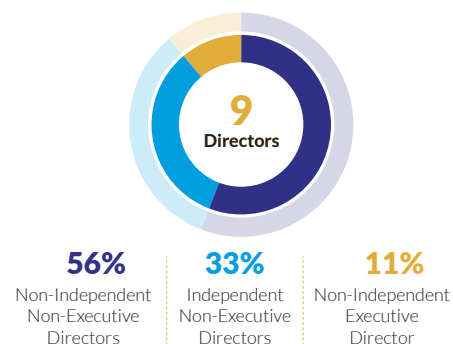
Attendance of Board Meetings



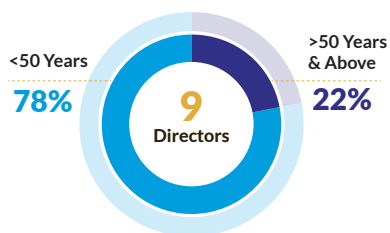
Gender Representation



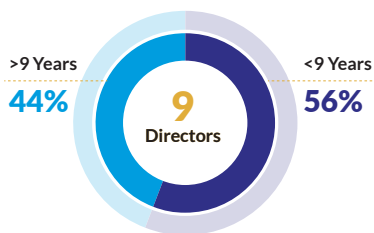
Director Independence



Age Profile



Duration of Tenure



BOARD LEADERSHIP IN GOVERNANCE

BOARD SUB COMMITTEES

To assist in fulfilling the Board's responsibilities, the following Board Sub-Committees have been established.

AUDIT COMMITTEE	
Members	Meetings & Attendance
Ms. W. T. V. Perera (C)	6/6
Mr. C. S. R. S. Anthony	6/6
Ms. K. A. Chellaraja	5/6
Committee Objectives Provide assistance to the Board in overseeing the Governance, Financial Reporting, Internal Audit, External Audit, Accounting Policies and Internal Control aspects of the Company.	
Committee Attributes 94% Attendance 67% Independent Directors Representation	

RISK ADVISORY COMMITTEE	
Members	Meetings & Attendance
Mr. T. J. William (C)	4/4
Mr. C. S. R. S. Anthony	4/4
Mr. D. A. De Zoysa	4/4
Committee Objectives The primary function and duty of the RAC are to assist the board in effectively fulfilling its supervisory responsibilities concerning the company's risk and compliance, in Compliance with regulatory and internal prudential requirements.	
Committee Attributes 100% Attendance 100% Non-Executive Directors Representation	

REMUNERATION COMMITTEE	
Members	Meetings & Attendance
Ms. K. A. Chellaraja (C)	3/3
Mr. D. A. De Zoysa	3/3
Ms. R. S. Jayasuriya	3/3
Mr. W. A. T. Fernando	3/3
Ms. N. T. M. S. Cooray	3/3
Committee Objectives The Committee's primary objective is to attract, develop, and retain high-calibre talent while ensuring that remuneration structures appropriately recognise and reward individual and organisational performance. Through its oversight, the Committee seeks to promote sustainable business success and align remuneration practices with the long-term interests of shareholders and other stakeholders.	
Committee Attributes 100% Attendance 40% Independent Directors Representation	

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE	
Members	Meetings & Attendance
Ms. K. A. Chellaraja (C)	4/4
Ms. W. T. V. Perera	4/4
Mr. C. S. R. S. Anthony	4/4
Committee Objectives Ensure that all related party transactions of the Company and its Group are consistent with the regulatory provisions laid out under LKAS 24, the Corporate Governance Directions and Listing Rules issued by the Colombo Stock Exchange.	
Committee Attributes 100% Attendance 67% Independent Directors Representation	

NOMINATIONS AND GOVERNANCE COMMITTEE	
Members	Meetings & Attendance
Ms. R. S. Jayasuriya (C)	2/2
Ms. K. A. Chellaraja	2/2
Mr. D. A. De Zoysa	2/2
Committee Objectives Selection and appointment of Directors and KMPs as well as maintaining gender diversity, identifying expertise gaps and succession planning.	
Committee Attributes 100% Attendance 67% Independent Directors Representation	

ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors of Capital Alliance Holdings PLC are pleased to present their Annual Report, along with the Audited Financial Statements for the financial year ended 31st March 2026 conforming to all relevant statutory requirements. These documents were approved by the Directors on 31st August 2026.

REVIEW OF OPERATIONS

During the year under review, the Group recorded an operating income of LKR 7,958 Mn, compared to LKR 11,049 Mn in the previous year. For the financial year ended 31 March 2026, the Group reported a net profit of LKR 2,697 Mn, a decline from LKR 4,228 Mn in the prior year. This decline was primarily attributable to lower capital gains realised on the Group's Treasury Bond trading portfolio compared to the gains recorded in the previous year, partially offset by an increase in fee-based income, lower operating expenses and taxation.

PRINCIPAL ACTIVITIES

The primary activity of the Group is that of being a full service investment bank. Detailed information about the Group's subsidiaries and their principal activities can be found on pages 7 & 119 of the Annual Report.

LEGAL STATUS

Capital Alliance Holdings PLC was incorporated on 20th March 2003 under the Companies Act No. 17 of 1982 and re-registered under the Companies Act No. 07 of 2007. The Company was listed in the Colombo Stock Exchange on 30th May 2025.

STATUTORY PAYMENTS

The Directors, to the best of their knowledge and belief, confirm that all statutory payments due to the Government and related to employees have been made on time. Furthermore, they affirm that the Company has not engaged in any activities contravening laws and regulations.

COMPLIANCE WITH LAWS AND REGULATIONS

This Report also provides the information and disclosures on mandatory Corporate Governance regulations required by the Companies Act No. 07 of 2007 and amendments thereto, the Listing Rules of the Colombo Stock Exchange (CSE) as well as the information and disclosures on voluntary adoption of the Code of Best Practice on Corporate Governance 2023 issued by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

CORPORATE GOVERNANCE

The Directors acknowledge their responsibility for the Company's corporate governance and internal control system. They are accountable to the shareholders for providing strategic direction and safeguarding the Company's assets. The Board is satisfied with the effectiveness of the internal control system up to the date of signing the financial statements. Details regarding adherence to recommended corporate governance standards can be found on pages 60 to 106 of the Annual Report.

The Company's performance is consistently evaluated through scheduled review sessions, ensuring that progress aligns with established objectives. Regular Board meetings are held to support the evaluation process and ensure compliance with all legal and regulatory requirements.

BOARD OF DIRECTORS

The Board comprises Nine (09) Directors, of whom three (03) are Non-Executive Independent Directors, five (05) are Non-Executive Non-Independent Directors and one (01) is an Executive Non-Independent Director. The details of the 'Board of Directors Profiles' can be referred on pages 54 to 56.

OTHER DIRECTORSHIP/ SIGNIFICANT POSITIONS OF DIRECTORS

Information on the other directorships and significant positions held by the current Directors of the Company is given on pages 54 to 56.

REMUNERATION AND FEES

Details of the Directors' remuneration and fees are provided in Note 12 of the financial statements. The Board of Directors has approved all fees and remuneration.

DIRECTORS' INTERESTS

In accordance with the Companies Act No. 7 of 2007, the Company maintained an Interests Register throughout the assessed timeframe. All Directors have furnished declarations as stipulated in Section 192 (2) of the aforementioned Companies Act. The Interest Register is open for examination in line with the provisions of the Companies Act.

The Company engages in regular business transactions with entities in which a Director of the Company holds a Director position. Transactions involving entities where a Director of the Company holds control or exerts substantial influence have been categorised as related party transactions and are outlined in Note 33 of the Financial Statements.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

INTEREST IN SHARES

Directors/ Chief Executive Officer and their shareholdings as at 31st March 2026 were as follows:

Name	Designation	31st March 2026	31st March 2025
Mr. D. A. De Zoysa	Chairman - Non-Executive Non-Independent Director	Nil	Nil
Mr. K. P. Mannakkara***	Director / Group CEO, Executive Non-Independent Director	57,381,925	57,236,370
Mr. W. A. T. Fernando	Non-Executive Non-Independent Director	400,855,830	400,855,830
Mr. R. J. Arasaratnam*	Non-Executive Non-Independent Director	N/A	Nil
Ms. N. T. M. S. Cooray	Non-Executive Non-Independent Director	175,310,640	175,310,640
Mr. T. J. William**	Non-Executive Non-Independent Director	Nil	Nil
Mr. C. S. R. S. Anthony	Non-Executive Non-Independent Director	Nil	Nil
Ms. R. S. Jayasuriya	Non-Executive Independent Director	Nil	Nil
Ms. K. A. Chellaraja	Non-Executive Independent Director	Nil	Nil
Ms. W. T. V. Perera	Non-Executive Independent Director	Nil	Nil

* Mr. Arasaratnam resigned from the Board of Capital Alliance Holdings PLC on 17th November 2025 and accordingly corresponding shareholding was presented as N/A.

** Mr. William, who was appointed to the Board of Capital Alliance Holdings PLC on 8th August 2016 as an Independent, Non-Executive Director, ceased to be classified as an Independent, Non-Executive Director with effect from 8th August 2025.

*** Mr. Mannakkara was appointed to the Board of Capital Alliance Holdings PLC on 24th July 2025.

RELATED PARTY TRANSACTIONS

Related party transactions have been disclosed at the Directors' meetings and are detailed in Note 33 of the financial statements.

INDEPENDENT AUDITORS

During the period under review, the Company's Auditors were Messrs. KPMG, Chartered Accountants. The remuneration paid to the auditors is outlined in Note 12 of the financial statements. As per the affirmation from Messrs. KPMG and to the best of the Directors' knowledge, the Auditors maintain no affiliations or interests in the Company, aside from those already revealed in the aforementioned section.

Messrs. KPMG, Chartered Accountants, have indicated their readiness to remain as the Company's Auditors for the upcoming year. In alignment with the provisions of the Companies Act No. 7 of 2007, a resolution seeking the reappointment of Messrs. KPMG, Chartered Accountants, as the Company's Auditors will be presented for consideration at the Annual General Meeting.

INDEPENDENT AUDITOR'S REPORT

The independent Auditor's report on the financial statements is given on pages 108 to 111 of the Annual Report.

AUDITOR'S RIGHT TO INFORMATION

Every individual currently serving as a Director of the Company upon the ratification of this report affirms that:

To the best of each Director's knowledge, there exists no pertinent audit-related information that is unbeknownst to the Company's Auditors.

Each Director has fulfilled all necessary obligations as a Director to ascertain awareness of any pertinent audit information and to confirm that the Company's Auditors are cognizant of such information.

GOING CONCERN

The Board of Directors has reviewed the Company's business plans and is confident that the Company has sufficient resources to continue its operations for the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the financial statements are given on pages 119 to 133. There were no changes in the accounting policies adopted by the Company during the year under review.

FINANCIAL RESULTS

In 2025/26, the Group recorded a net profit after tax of LKR 2,708 Mn, compared to LKR 4,228 Mn in the previous financial year, 2024/25.

	Group		Company	
For the year ended 31st March	2026	2025	2026	2025
Total Operating Income	7,958	11,049	4,194	4,843
Profit Before Tax	4,196	6,626	4,024	4,599
Profit After Tax	2,697	4,228	3,976	4,598
Total Comprehensive Income	2,660	4,069	3,974	4,599

As at 31st March	2026	2025	2026	2025
Total Assets	103,941	111,771	9,639	5,759
Total Liabilities	81,921	91,177	667	264
Equity Attributable to Equity Holders of the Parent Company	19,916	18,066	8,972	5,495
Equity Attributable to Non-Controlling Interests	2,104	2,529	-	-

STATED CAPITAL

The stated capital of the Company as at 31st March 2026 was LKR 4,107,798,096 (2025 – LKR 2,532,798,096), consisting of 2,072,049,345 (2025 – 1,914,549,345) ordinary shares, as disclosed in Note 31 to the financial statements. The increase reflects the 157,500,000 new ordinary shares issued at LKR 10.00 per share in the Initial Public Offering completed in May 2025.

The Top Twenty shareholders of the Company as at 31st March 2026 are as follows:

Name of the Shareholder/ Company	No. of Shares	%
Asothi Holdings (Private) Limited	557,044,530	26.88
Jetwing Travels (Pvt) Ltd	547,846,320	26.44
Seylan Bank PLC/W.A.T.Fernando	400,855,830	19.35
Miss N.T.M.S. Cooray	175,310,640	8.46
Nations Trust Bank PLC/Kanishke Piyanga Mannakkara	50,000,000	2.41
Hatton National Bank PLC/Phantom Investments (Private) Limited	34,854,334	1.68
Mr. A.D. Pushparajah	33,378,720	1.61
Mrs. H.M.S. Perera	32,596,560	1.57
Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	27,195,700	1.31
Mr. T. Kulasinghe	22,985,025	1.11
Mr. U.R. Jonas	13,800,375	0.67
Seylan Bank PLC/A.C.Senanka	11,576,645	0.56
Mr. K.P. Mannakkara	7,381,925	0.36
Mr. S.D.K. Fernando	5,507,565	0.27
Mr. L.H.S.L. Silva	5,239,160	0.25
Senkadagala Finance PLC/A.D.Rayen	5,178,290	0.25
J.B. Cocoshell (Pvt) Ltd	5,065,300	0.24
Mr. H.G.R. De Silva	5,050,260	0.24
Mr. A. Vijayaram	4,060,260	0.20
Commercial Bank of Ceylon PLC/W. Jinadasa	3,822,120	0.18
Total	1,948,749,559	94.04

INITIAL PUBLIC OFFERING

The Company raised LKR 1,575,000,000 through its Initial Public Offering of 157,500,000 ordinary voting shares at LKR 10.00 per share, and its shares were listed on the Colombo Stock Exchange on 30th May 2025. The Company did not raise any funds through an Initial Public Offering (IPO) or a further issue of securities since.

RESERVES

The changes in reserves during the financial year 2025/26 are detailed in the Statement of Changes in Equity on pages 115 to 116 of the Annual Report.

DIVIDEND - GROUP

A dividend of LKR 2,809,981,057 has been paid out of the dividends received and profit generated during the year. (2024/25 – LKR 2,982,416,752).

CAPITAL EXPENDITURE

Details of Property, Plant and Equipment and their movements during the year are provided in Note 25 to the financial statements.

INCOME TAX EXPENSES

Income tax expenses have been calculated in compliance with the provisions of the Inland Revenue Act, No. 24 of 2017, and its subsequent Amendments, as disclosed in Note 13 of the financial statements

EVENTS OCCURRING AFTER THE REPORTING DATE

There were no material events after the financial reporting period that require an adjustment to or a disclosure in the financial statements other than those disclosed in Note 35 to the financial statements.

ESG RISKS AND OPPORTUNITIES

The Company's business operations can have both direct and indirect impacts on the environment. Our policy is to conduct these activities in an environmentally responsible manner, minimising adverse effects and ensuring compliance with relevant regulations.

ANNUAL REPORT OF THE BOARD OF DIRECTORS

RISK AND CONTROL

The Board of Directors has ensured that a robust and comprehensive internal control system is in place to oversee, regulate, and manage the Group's risk exposure. This system supports the orderly operation of the business, safeguards assets and enhances the reliability and accuracy of records to the greatest extent possible.

EQUAL OPPORTUNITIES

The CAL Group is dedicated to offering equal opportunities to all employees, regardless of gender, marital status, age, religion, race or disability. Our policy ensures that all individuals receive fair and thorough consideration in matters of employment applications, continued employment, training, career development, and promotions, taking into account their specific skills and capabilities.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company is scheduled for the 29th September 2026. The notice calling for the Meeting and the agenda can be found on page 198 of the Annual Report.

This Annual Report is signed for and on behalf of the Board:



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



Mr. K. P. Mannakkara
Director / Group CEO



Mr. D. A. De Zoysa
Chairman

31st August 2026

STATEMENTS OF RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Directors of the Company are responsible for ensuring that the Company and its subsidiaries maintain accurate and comprehensive books of accounts for all transactions. They must prepare and present financial statements to the shareholders in accordance with the relevant provisions of the Companies Act, No. 7 of 2007, and other applicable statutes. These financial statements include the Statements of Financial Position as of 31st March 2026, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended, and the accompanying Notes. The Directors are required to prepare these financial statements on a going concern basis unless it is inappropriate to do so.

The Directors confirm that the financial statements of the Company and the Group give a true and fair view of;

- The state of affairs of the Company and the Group as at 31st March 2026 and
- The financial performance of the Company and the Group for the financial year ended 31st March 2026

The financial statements of the Company and the Group for the year ended 31st March 2026, included in this report, have been prepared in compliance with the Companies Act, No. 7 of 2007, and Sri Lanka Accounting Standards (LKAS/SLFRS).

These financial statements have been certified by the Chief Financial Officer of the Company, who is responsible for their preparation, and have been signed by two Directors in accordance with Sections 150 and 152 of the Companies Act.

The Directors are responsible for ensuring that proper accounting records are maintained by the Company, accurately recording and explaining its transactions. This allows the Company's financial position to be determined with reasonable accuracy at any time, facilitates the preparation of financial statements, and ensures that these statements can be readily and properly audited, in accordance with Section 148(1) of the Act. Consequently, the Directors have ensured that the Company and its subsidiaries maintain proper books of accounts and regularly review financial reports during their meetings.

The Board also reviews and approves all interim financial statements before their release. The Board of Directors accepts responsibility for the integrity and objectivity of the financial statements presented. The Directors confirm that the financial statements have been prepared using appropriate accounting policies consistently, with appropriate estimates and judgments made to reflect the true substance and form of transactions.

The Directors have taken reasonable measures to safeguard the assets of the Company and its subsidiaries and to prevent and detect fraud and other irregularities. To this end, the Directors have established an effective and comprehensive internal control system.

The Company's auditors, Messrs. KPMG, were reappointed in accordance with a resolution passed at the last Annual General Meeting. They were provided with all necessary information required to conduct their audit and to express their opinion, which is presented on pages 108 to 111 of this Annual Report.

The Directors confirm that, to the best of their knowledge, all statutory payments due from the Company and its subsidiaries as of the financial reporting date have been paid or, where applicable, provisioned for.

The Directors further confirm that after considering the financial position, operating conditions, and regulatory and other factors, they have a reasonable expectation that the Company possesses adequate resources to continue in operation for the foreseeable future and that the Going Concern basis is the most appropriate in the preparation of these financial statements.



Mr. D. A. De Zoysa
Chairman

31st August 2026

RESPONSIBILITY STATEMENT OF THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Financial Statements of Capital Alliance Holdings PLC as of 31st March 2026 are prepared and presented in accordance with the following requirements:

- Sri Lanka Accounting Standards issued by CA Sri Lanka
- The Companies Act No. 07 of 2007
- The Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- The Code of Best Practice on Corporate Governance issued by CA Sri Lanka in 2023
- Listing Rules of the Colombo Stock Exchange

We confirm that the significant accounting policies used in preparing the financial statements are appropriate and have been consistently applied by the Company. Significant accounting policies and estimates involving high degrees of judgment and complexity were discussed with the Audit Committee and external auditors.

We have taken proper and sufficient care in establishing systems of internal control and accounting records to safeguard assets and prevent and detect fraud and other irregularities. These systems are reviewed, evaluated, and updated on an ongoing basis.

Periodic audits conducted by the internal auditors provided reasonable assurance that the established policies and procedures of the Company were consistently followed. However, inherent limitations in any system of internal controls and accounting must be recognised when considering the assurances provided.

The Financial Statements were audited by the independent external auditors, Messrs KPMG, Chartered Accountants.

The Audit Committee of the Company meets periodically with both the internal and independent auditors to review the effectiveness of audits and discuss auditing, internal control, and financial reporting issues. The independent and internal auditors have full and free access to the Audit Committee to discuss any substantive matters. The Audit Committee approves the audit and non-audit services provided by the external auditor to ensure that such services do not impair their independence.

We confirm that:

- The Company has complied with all applicable laws, regulations, and prudential requirements.
- There are no material non-compliances.
- There are no material litigations pending against the Company.



Mr. D. A. De Zoysa
Chairman



Mr. K. P. Mannakkara
Group Chief Executive Officer



Mr. Channa Gunasekera
Chief Financial Officer

31st August 2026

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee ensures an impartial approach when offering guidance and support on the Company's internal operations. It regularly evaluates the Company's performance by engaging in discussions with Directors and Senior Management and reviewing Internal Audits performed by the Internal Auditors. Additionally, the Audit Committee oversees all audit activities, ensuring strict adherence to Financial Standards and Statutory regulations.

67% Independent Directors Representation

Membership

Ms. W. T. V. Perera	Chairperson Non-Executive Independent Director
Mr. C. S. R. S. Anthony	Member Non-Executive Non-Independent Director
Ms. K. A. Chellaraja	Member Non-Executive Independent Director

MEETINGS

Audit Committee meetings are held at least quarterly; six (06) meetings were held during the year 2025/26.

At the invitation of the Audit Committee Chairperson, participants such as the external and internal auditors, Chief Risk and Compliance Officer, Group Chief Information Officer, Chief Executive Officer, Group Chief Financial Officer, Manager Finance, other Directors, and representatives from the finance function and various business sectors may attend the Audit Committee meetings.

The Board of Directors receives regular updates on Audit Committee meetings. The attendance of Committee Members at these meetings was at 94% for the year 2025/26 and is detailed below.

Name of the Director	Attendance
Ms. W. T. V. Perera	6/6
Mr. C. S. R. S. Anthony	5/6
Ms. K. A. Chellaraja	6/6

RESPONSIBILITIES AND DUTIES

The primary objective of the Board Audit Committee is to support the Board of Directors in fulfilling its fiduciary duties towards stakeholders. The Company has a separate Risk Advisory Committee to assess the risk management requirements as mentioned in the listing rules.

The Committee carried out the following activities as required in Section 9.13.4.1 of the Listing Rules published by Colombo Stock Exchange:

- Oversees adherence to regulatory mandates concerning financial reporting as stipulated by the CA Sri Lanka through the Sri Lanka Accounting Standards (SLFRS & LKAS), the Companies Act No. 7 of 2007, and the Listing Rules of the Colombo Stock Exchange.
- Reviews the Quarterly Financial Statements and Annual Financial Statements for the year ended 31st March 2026 focusing on the quality and accuracy of the Financial Statements including compliance with the relevant regulatory requirements.
- Evaluates the efficiency of the existing financial reporting systems to ensure the dependability of information furnished to Shareholders and other Stakeholders.
- Internal Audit: The Company has outsourced its internal audit responsibilities to Ernst & Young (E&Y). The Committee thoroughly reviewed the insights presented in the internal audit reports and evaluated the actions taken by management to address the audit recommendations. Additionally, the Committee assessed the efficiency of the internal audit function and the scope of internal audit activities for the upcoming year.

The Internal Audit Report issued by the Internal Auditors was jointly reviewed with Management, and the progress made in implementing key recommendations from the Internal Auditors was also evaluated during the year.

- External Audit: The Audit Committee is tasked with supervising the association with the external auditor, encompassing the following responsibilities:
- Approve the audit engagement fees and terms of engagement.
- Conducting an annual review of the external auditor's activities, findings, conclusions, and recommendations (including the Management Letter).
- Monitoring the external auditor's independence, objectivity, and the efficiency of the audit process, aligning with pertinent professional and regulatory requisites. This includes evaluating the external auditor's quality control mechanisms and measures undertaken in response to regulatory and other modifications.
- Ensuring resolution of any disagreements between management and the external auditor regarding financial reporting.

Having reviewed the effectiveness of the External Audit, the Audit Committee also recommended to the Board of Directors that Messrs. KPMG be reappointed as the Auditors for the financial year ending 31st March 2027, subject to the approval of the shareholders at the Annual General Meeting.

THE WHISTLEBLOWING POLICY

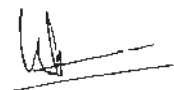
The Company established the Whistleblowing Policy to educate and encourage all staff members to use the whistleblowing avenue when they have credible reasons to suspect any misconduct or impropriety. Comprehensive protocols are in place to conduct impartial investigations into incidents reported through this channel or discovered by other means. All raised concerns are thoroughly examined, and the identity of the reporting individual is

AUDIT COMMITTEE REPORT

kept confidential. Anonymous complaints are also investigated. Audit Committee and the Board have started a process to review the existing policy to update and to simplify the process further to encourage engagement. The improved policy to be launched in 26/27.

FOCUS ON TECHNOLOGY & FINANCE TALENT & COMPLIANCE 26/27

At the end of the year 2025/26, the Audit Committee reported to the Board its main focus areas for 2026/27 which were, technology, finance, talent and compliance.



Ms. W. T. V. Perera
Chairperson - Audit Committee

31st August 2026

RISK ADVISORY COMMITTEE REPORT

The Risk Advisory Committee (RAC) members of Capital Alliance Holdings PLC, during the year under review were as follows.

100% Non-Executive Directors Representation	
Membership	
Mr. T. J. William	Chairperson Non-Executive Non-Independent Director
Mr. D. A. De Zoysa	Member Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony	Member Non-Executive Non-Independent Director

OVERVIEW

The primary function and duty of the RAC are to assist the board in effectively fulfilling its supervisory responsibilities concerning the company's risk and compliance. The Chief Risk and Compliance Officer operates under the guidance of the Risk Advisory Committee on risk and compliance matters, separate from their reporting structure to the CEO on these issues.

MEETINGS

The committee held four meetings during the year under review. Comprehensive minutes were documented and distributed to the Board of Directors during board meetings to facilitate subsequent deliberation and examination.

Name of the Director	Attendance
Mr. T. J. William	4/4
Mr. D. A. De Zoysa	4/4
Mr. C. S. R. S. Anthony	4/4

ACTIVITIES FOR THE YEAR

The Risk Advisory Committee reviewed and assessed the risk control self-assessment process, the relevant risk registers, and the minutes of the quarterly internal risk meetings held with the heads of all Business Units. The Committee also reviewed applicable risk limits and the risks associated with new products, while providing guidance on the mitigation, transfer, and management of risks across the CAL Group in line with regulatory and supervisory requirements of the relevant authorities and the Company's Board's risk tolerances.

In addition, the Committee reviewed the Company's risk compliance reports prior to their submission to the Board of Directors. The Risk Advisory Committee monitors and reviews all instances of non-compliance and ensures that appropriate corrective actions are taken to meet the regulatory and supervisory requirements of the relevant authorities and the Company's Board's risk tolerances.

The Committee also reviewed the Company's risk management policy framework and recommended further enhancements to strengthen risk management policies across all entities. Further, the Committee supports the development of a resilient and proactive risk culture within the organisation and assists in the implementation of the overall business strategy, ensuring alignment with the Company's risk appetite and prudent risk tolerance framework.

On behalf of the Risk Advisory Committee



Mr. T. J. William

Chairman - Risk Advisory Committee

31st August 2026

REMUNERATION COMMITTEE REPORT

COMPOSITION

The Remuneration Committee, appointed by the Board, consists of three Non-Executive Directors, two of whom are Independent, and is chaired by an Independent Non-Executive Director. The Committee members bring a diverse range of expertise and a thorough understanding of the business and industry.

Committee members are:

40% Independent Directors Representation	
Membership	
Ms. K. A. Chellaraja	Chairperson Non-Executive Independent Director
Mr. D. A. De Zoysa	Member Non-Executive Non-Independent Director
Ms. R. S. Jayasuriya	Member Non-Executive Independent Director
Mr. W. A. T. Fernando	Member Non-Executive Non-Independent Director
Ms. N. T. M. S. Cooray	Member Non-Executive Non-Independent Director

MEETINGS

The attendance record for the meetings during the Financial Year 2025/26 was at 100% and is presented below.

Name of the Director	Attendance
Ms. K. A. Chellaraja	3/3
Mr. D. A. De Zoysa	3/3
Ms. R. S. Jayasuriya	3/3
Mr. W. A. T. Fernando	3/3
Ms. N. T. M. S. Cooray	3/3

RESPONSIBILITY OF REMUNERATION COMMITTEE

The Remuneration Committee of Capital Alliance Holdings PLC is responsible for reviewing and recommending remuneration and talent attraction and management strategies to the Board of Directors.

The Committee's primary objective is to attract, develop, and retain high-calibre talent while ensuring that remuneration structures appropriately recognise and reward individual and organisational performance. Through its oversight, the Committee seeks to promote sustainable business success and align remuneration practices with the long-term interests of shareholders and other stakeholders.

To uphold transparency, objectivity, and good governance the Committee oversees Group's human capital, succession, talent

and remuneration practices, ensuring they are fair, effective and aligned with the Group's long-term strategic objectives.

REMUNERATION POLICY

The Group's remuneration strategy aims to attract, retain, and motivate skilled individuals at both the leadership and executive levels. These individuals should have the necessary leadership, professional and operational competencies to achieve the Group's short-term and long-term goals. The remuneration policy ensures that the overall compensation package is competitive, aiming to attract the best talent to the Group.

The Group's remuneration framework has been redesigned to create value for stakeholders and aligns executive incentives with the Group's short and long-term interests. In crafting competitive compensation packages, the policy aims to acknowledge and incentivise high performers while balancing short-term performance objectives with long-term commitments to the Group.



Ms. K. A. Chellaraja
Chairperson – Remuneration Committee

31st August 2026

NOMINATIONS AND GOVERNANCE COMMITTEE REPORT

The Board established the Nominations and Governance Committee to assess and enhance the overall effectiveness of the Board of Directors by exercising general oversight with respect to the governance of the Board, reviewing the qualifications of and recommending to the Board nominees for election to the Board, evaluating and recommending to the Board corporate governance practices applicable to the Company, and establishing the framework for assessment of Board performance.

COMPOSITION OF THE COMMITTEE

The Nominations and Governance Committee members are appointed by the Board and the Committee consists of at least three Directors of the Board, as elected by the Board, of whom at least two shall be Independent Directors. No member of the Committee shall be an Executive Director of the Company. The Board shall appoint an Independent Director as Chairperson of the Committee, and the Company Secretary shall act as Secretary to the Committee.

The Committee members are:

67% Independent Directors Representation	
Membership	
Ms. R. S. Jayasuriya	Chairperson Non-Executive Independent Director
Mr. D. A. De Zoysa	Member Non-Executive Non-Independent Director
Ms. K. A. Chellaraja	Member Non-Executive Independent Director

MEETINGS

The Nominations and Governance Committee shall meet as often as it determines appropriate, but not less frequently than twice per annum. The quorum for a meeting of the Committee consists of a majority of the Committee members, including at least one Independent Director.

The attendance record for meetings held during the Financial Year 2025/26 is presented below.

Name of the Director	Attendance
Ms. R. S. Jayasuriya	2/2
Mr. D. A. De Zoysa	2/2
Ms. K. A. Chellaraja	2/2

Management reports to the Nominations and Governance Committee on compliance with the corporate governance framework of the Company, including the Company's compliance with the provisions of the SEC Act, the Listing Rules of the Exchange and other applicable laws and regulations, together with any deviations or non-compliances and the rationale for the same.

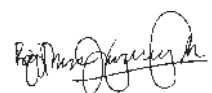
RESPONSIBILITY OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

The Nominations and Governance Committee is responsible for evaluating the appointment of Key Management Personnel to the Company and Directors to the Board of Directors and Board Committees of Capital Alliance Holdings PLC and providing its recommendations to the Board on any such proposed appointment. Further, the Committee evaluates the performance of current Directors of the Board, including their experience, knowledge and contributions to the Company in meeting the strategic objectives of Capital Alliance Holdings PLC, when recommending whether such Directors should be re-appointed to the Board. The Committee is authorised to retain advisers when it deems appropriate, including approving fees and terms of retention, without the prior permission of the Board or management, subject to the overall budget granted to the Committee.

The Nominations and Governance Committee determines the frequency with which Directors on the Board and the CEO shall submit for re-election, provided

that such submission shall take place at a minimum of every three years. Further, the Committee reviews succession plans for the Directors on the Board and Key Management Personnel of the Company and approves and ratifies the appointment of Key Management Personnel of the Company.

The Nominations and Governance Committee establishes, adopts and reviews, at least annually, the criteria for the selection of Directors to the Board, including academic and professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the requirements of Company to achieve its strategic objectives and the responsibilities to be discharged.



Ms. R. S. Jayasuriya

Chairperson - Nominations and Governance Committee

31st August 2026

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Board established the Related Party Transactions Review Committee in compliance with the Code of Best Practice on Related Party Transactions issued by the Securities & Exchange Commission of Sri Lanka and Section 9 – Corporate Governance of the Colombo Stock Exchange Listing Rules (the “Rules”). The Related Party Transactions Review Committee was established during the financial year 2024/25; its functions were previously overseen by the Group Audit Committee.

COMPOSITION

The Related Party Transactions Review Committee consists of three Directors, as listed below:

67% Independent Directors Representation	
Membership	
Ms. K. A. Chellaraja	Chairperson Non-Executive Independent Director
Mr. C. S. R. S. Anthony	Member Non-Executive Non-Independent Director
Ms. W. T. V. Perera	Member Non-Executive Independent Director

The composition above complies with the provisions of the Code regarding the Board Related Party Transactions Review Committee.

OBJECTIVES

This Committee’s primary objectives are to:

- Assist the Board in reviewing all Related Party Transactions carried out by the Company
- Review the Related Party Transactions of the Company to ensure that these transactions are in accordance with the Code of Best Practices on Related Party Transactions issued by the SEC and Section 9 of the Listing Rules issued by the CSE on Related Party Transactions and the Code of Best Practice on Corporate Governance issued by the CA Sri Lanka.
- Update the Board of Directors at quarterly Board Meetings

MEETINGS

The Related Party Transactions Review Committee was established as a sub-committee of the Board and met quarterly. The attendance records of Committee members, which indicate 100% attendance at the meetings held during the Financial Year 2025/26, are detailed below.

Name of the Director	Attendance
Ms. K. A. Chellaraja - (Chairperson)	4/4
Ms. W. T. V. Perera	4/4
Mr. C. S. R. S. Anthony	4/4

Meeting minutes were circulated to the Board of Directors for their review and information.

PROCEDURES FOLLOWED BY THE COMMITTEE

The senior management is required to update the Committee on all related party transactions during its quarterly meetings. Additionally, they must inform the Committee of any proposed non-recurrent transactions before their completion.

For recurrent related party transactions, the Committee reviews and evaluates ongoing relationships with the related parties to ensure compliance with its guidelines and to confirm the appropriateness of the transactions.

ACTIVITIES DURING THE YEAR

Throughout the year, the Committee reviewed all Related Party Transactions and their nature during its meetings, providing observations and recommendations to the Board of Directors.

Details of the related party transactions undertaken by the Company during the year are disclosed in Note 33 of the financial statements.

DECLARATION

The Annual Report contains a declaration by the Board of Directors confirming compliance with regulations on Related Party Transactions, as outlined in the Report of the Board of Directors.



Ms. K. A. Chellaraja
Chairperson - Related Party Transactions Review Committee

31st August 2026

COMPULSORY GOVERNANCE CODES

COMPANIES ACT CHECKLIST

The Level of Compliance under Section 168 of the Companies Act No. 07 of 2007 is given in the table below.

Information Required to be Disclosed as per the Companies Act No. 07 of 2007	Reference to the Companies Act	Annual Report Page Reference for Compliance and Necessary Disclosure
The nature of the business of the Company together with any change thereof during the accounting period	Section 168 (1) (a)	Refer the Pages 4 to 6 & Page 67.
Signed Financial Statements of the Company for the accounting period completed in accordance with Section 151.	Section 168 (1) (b)	The Financial Statements of the Company for the year ended 31st March 2026 have been prepared in accordance with the requirements of the Sri Lanka Accounting Standards and comply with the requirements of the Companies Act No. 07 of 2007 and which were duly certified by the Chief Financial Officer (the person responsible for the preparation of the Financial Statements) and were approved by two members of the Board as appearing on Page 114 form an integral part of this Report.
Auditors' Report on the Financial Statements of the Company	Section 168 (1) (c)	Refer Pages 108 to 111 for the "Independent Auditors' Report."
Accounting policies of the Company and any change therein	Section 168 (1) (d)	Notes to the Financial Statements: Significant Accounting Policies adopted in the preparation of the Financial Statements of the Company are given on Pages 119 to 133. There were no changes to the Accounting Policies used by the Company.
Particulars of entries made in the Interests Register of the Company during the accounting period.	Section 168 (1) (e)	The Company maintains interest Registers. All the Directors have made declarations as required by Sections 192 (1) and (2) of the Companies Act aforesaid and all related entries were made in the Interest Registers during the year under review. The Interest Registers are available for inspection by shareholders or their authorised representatives as required by Section 119 (1) (d) of the Companies Act No. 07 of 2007.
Remuneration and other benefits paid to Directors of the Company during the accounting period	Section 168 (1) (f)	Refer Note 12 to the Financial Statements on Page 136. Also refer the Remuneration Committee Report on Page 76.
Total amount of donations made by the Company during the accounting period	Section 168 (1) (g)	Refer Note 12 to the Financial Statements on Page 136.
Information on Directorate of the Company during and at the end of the accounting period	Section 168 (1) (h)	Refer the Pages 54 to 56.
Separate disclosure on amounts payable to the Auditors as Audit Fees and Fees for other services rendered during the accounting period by the Company.	Section 168 (1) (i)	Note 12 to the Financial Statements on Page 136.
Auditors' relationship or any interest with the Company.	Section 168 (1) (j)	Refer the Pages 108 to 111 for Audit Report
Acknowledgement of the contents of this Report/ Signatures on behalf of the Board.	Section 168 (1) (k)	Refer the Pages 67 to 71.
Ultimate Beneficial Ownership	Section 119/120	Refer Note 1.3 on Page 119 The Company maintains an up-to-date Register of Beneficial Owners at its registered office. The Register accurately records the identities, contact details, and precise nature and extent of beneficial interest held by all Ultimate Beneficial Owners (UBOs) of the Company.

COMPULSORY GOVERNANCE CODES

LISTING RULES ISSUED BY THE COLOMBO STOCK EXCHANGE (CSE) ON CORPORATE GOVERNANCE

The Company has fully complied with all applicable provisions of Section 7.6 of the CSE Listing Rules, ensuring that all disclosure requirements for a Listed Entity are met in its Annual Report and Financial Statements.

✓ Complied

Rule No.	Disclosure requirement	Page No.	Status
7.6			
i)	Names of persons who during the financial year were directors of the Entity	54 to 56	✓ Complied
ii)	Principal activities of the Entity and its subsidiaries during the year and any changes therein	6 & 119	
iii)	The names, shareholdings, and percentage of shares held by the 20 largest holders of voting and non-voting ordinary shares and the percentage of shares held	191	
iv)	The float adjusted market capitalisation, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement.	192	
v)	A statement of holding of each director's holding and Chief Executive Officer's holding of shares of the Entity	70	
vi)	Information pertaining to material foreseeable risk factors of the Entity.	44 to 52	
vii)	Details of material issues pertaining to employees and industrial relations of the Entity	N/A	
viii)	Extent, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties	N/A	
ix)	Number of shares representing the Entity's stated capital	166 to 167	
x)	A distribution schedule of the number of holders in each class of equity and the percentage of their total holdings	191 to 192	
xi)	The list of applicable ratios and the market price information	8 & 193 & 192	
xii)	Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	N/A	
xiii)	Details of funds raised through an Initial Public Offering and/or a further issue of Securities during the year 25/26	167	
xiv)	Details in respect of Employee Share Option Schemes and Employee Share Purchase Schemes during the year 25/26	N/A	
xv)	The Company has fully complied with the Corporate Governance disclosure requirements as outlined in Section 9 of the CSE Listing Rules, ensuring adherence to best practices and transparency in governance. Refer Annual Report of Board of Directors	67 to 70	
xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements	168 to 171	
xvii)	Details of Foreign Currency denominated Securities listed on the Exchange	N/A	
xviii)	Details of any listed GSS + Bonds on the Exchange	N/A	
xix)	Details of listed Perpetual Debt Securities on the Exchange	N/A	
xx)	Details of listed Infrastructure Bonds on the Exchange	N/A	
xxi)	Details of listed Shariah Compliant Debt Securities on the Exchange	N/A	
xxii)	Details of High Yield Debt listed on the Exchange	N/A	

LISTING RULES ISSUED BY THE COLOMBO STOCK EXCHANGE (CSE) ON CORPORATE GOVERNANCE

The Company has fully complied with all applicable provisions of Section 9 of the CSE Listing Rules, ensuring that all disclosure requirements for a Listed Entity are met in its Annual Report and Financial Statements.

✓ Complied

Principle	Compliance Requirement	Details of implementation	Status
9	Corporate Governance		
9.1	Applicability of Corporate Governance Rules		
	The Company has complied with CSE Listing Rule 9 by verifying its adherence to Corporate Governance Rules.	Refer Annual report of the Board of Directors	✓
9.2	Policies		
9.2.1	Listed Entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the Entity on its website; (a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	Refer CAL website https://cal.lk/who-we-are/	✓
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	None	✓
9.2.3	Listed Entities shall disclose in its Annual Report: (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above	The policies have been disclosed on the company website, and no changes have been made to them throughout the year.	✓
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	All policies are accessible to shareholders upon a written request.	✓
9.3	Board Committees		
9.3.1	Listed Entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include; (a) Nominations and Governance Committee (b) Remuneration Committee (c) Audit Committee (d) Related Party Transactions Review Committee.	Refer Board Sub Committee Reports on pages 73 to 78.	✓

COMPULSORY GOVERNANCE CODES

Principle	Compliance Requirement	Details of implementation	Status
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules.	Refer Board Sub Committee Reports on pages 73 to 78	✓
9.3.3	The Chairperson of the Board of Directors of the Listed Entity shall not be the Chairperson of the Board Committees referred to in Rule 9.3.1 above.	Refer Board Sub Committee Reports on pages 73 to 78	✓
9.4	Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders.		
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	The Company Secretaries maintain records of all resolutions of General Meetings and information related thereto.	✓
9.4.2	Communication and relations with shareholders and investors (a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity. (d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	The Policy on Relations with Shareholders and Investors are in place	✓
9.5	Policy on matters relating to the Board of Directors		
9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and set out as 9.5.1 in the Listing Rules.	Policy on matters relating to Board of Directors are in place.	✓
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Policy on matters relating to Board of Directors are in place.	✓

Principle	Compliance Requirement	Details of implementation	Status
9.6	Chairperson and CEO		
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below.	The roles of Chairperson and CEO are occupied by different individuals	✓
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such Entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules. Such Market Announcement shall include the rationale for appointment of an Executive Director as Chairperson and/or combining the positions of the Chairperson and CEO of the Listed Entity.		N/A
9.6.3	The Requirement for a Senior Independent Director (SID)		
9.7	Fitness of Directors and CEOs		
9.7.1 – 9.7.3	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilise the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	The Company Secretaries obtain annual declarations from the Directors of the Company to ensure that they are at all times fit and proper persons as specified in the criteria given in Rule 9.7.3 of the Listing Rules of the CSE.	✓
9.7.4– 9.7.5	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made. Listed Entities shall include the following disclosures/reports in the Annual Report; a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the financial year and the remedial action taken by the Listed Entity to rectify such non-compliance/s. Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Refer Nominations and Governance Committee Report Annual declarations were obtained from the Directors and CEO confirming that they are continuously satisfied with the fit and proper assessment criteria set out in the CSE Listing Rules as at 31st March 2026.	

COMPULSORY GOVERNANCE CODES

Principle	Compliance Requirement	Details of implementation	Status
9.8	Board Composition		
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors	The Board of Directors of Capital Alliance Holdings PLC comprise of	✓
9.8.2	Minimum Number of Independent Directors: (a) The Board of Directors of Listed Entities shall include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher. (b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	Nine (09) Directors of whom three (3) are Non-Executive Independent Directors, five (05) are Non-Executive Non-Independent Directors and One (01) is an Executive Non-Independent Director.	✓
9.8.3	Criteria for determining independence		✓
9.8.4	Definitions related to Rule 9.8.3	N/A	✓
9.8.5	The Board of Directors of Listed Entities shall require: (a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein. (b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors' declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report. (c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	The Independent Directors submit signed declarations annually regarding their independence or non-independence, in accordance with the specified criteria outlined in Rule 9.8.3 of the CSE Listing	✓
9.9	Alternate Directors		
	If a Listed Entity provides for the appointment of Alternate Directors, it shall be required to comply with the Section 9.9 in the Listing Rule and such requirements shall also be incorporated into the Articles of Association of the Entity.	No Alternate Director has been appointed during FY 2025/26.	✓
9.10	Disclosures Relating to Directors		
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Policy on matters relating to Board of Directors are in place.	✓
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; i. a brief resume of such Director; ii. is/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	Refer announcements made on CALH via the CSE website	✓

Principle	Compliance Requirement	Details of implementation	Status
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	Refer announcements made on CALH via the CSE website	✓
9.10.4	Listed Entities shall also disclose the following in relation to the Directors in the Annual Report: (i) name, qualifications and brief profile; (ii) the nature of his/her expertise in relevant functional areas; (iii) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (iv) whether Executive, Non-Executive and/or independent Director; (v) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (vi) number of Board meetings of the Listed Entity attended during the year; (vii) names of Board Committees in which the Director serves as Chairperson or a member; (viii) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (ix) The terms of reference and powers of the SID (where applicable).	Refer pages 54 to 56 for the Board of Directors profiles. Refer pages 67 & pages 168 to 171 for the Directors interest in Contracts. Refer pages 64 to 66 for the Board compositions and the attendance.	✓
9.11	Nominations and Governance Committee		
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Refer Nominations and Governance Committee Report	✓
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Refer Nominations and Governance Committee Report	✓
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Refer Nominations and Governance Committee Report	✓

COMPULSORY GOVERNANCE CODES

Principle	Compliance Requirement	Details of implementation	Status
9.11.4	Composition (1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.	Refer Nominations and Governance Committee Report	✓
9.11.5	The functions of the Nominations and Governance Committee	Refer Nominations and Governance Committee Report	✓
9.11.6	Disclosures in Annual Report The Annual Report of Listed Entities shall contain a report of the Nominations and Governance Committee signed by its Chairperson.	Refer Nominations and Governance Committee Report	✓
9.12	Remuneration Committee		
9.12.1	For the purposes of Rule 9.12, the term “remuneration” shall make reference to cash and all non-cash benefits whatsoever received.	Complied	✓
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Refer Remuneration Committee Report	✓
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors’ remuneration and for fixing the remuneration packages of individual Directors. No Director shall be involved in fixing his/her own remuneration.	Refer Remuneration Committee Report	✓
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Refer Remuneration Committee Report	✓
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Refer Remuneration Committee Report	✓
9.12.6	Composition (1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (a) not comprise of Executive Directors of the Listed Entity. (2) In a situation where both the parent company and the subsidiary are ‘Listed Entities’, the Remuneration Committee of the parent company may be permitted to function as the Remuneration Committee of the subsidiary. An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Refer Remuneration Committee Report	✓

Principle	Compliance Requirement	Details of implementation	Status
9.12.7	Functions of the Remuneration Committee	Refer Remuneration Committee Report	✓
9.12.8	Disclosure in Annual Report	Refer Remuneration Committee Report	✓
9.13	Audit Committee		
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	The Company maintains a separate Risk Advisory Committee	✓
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties	Refer Audit Committee Report	✓
9.13.3	Composition	Refer Audit Committee Report	✓
	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Entity. (2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors. (3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to the market. (4) If both, the Parent Company and the subsidiary are 'Listed Entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary. (5) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors. (6) Unless otherwise determined by the Audit Committee, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation. Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation. (7) The Chairperson of the Audit Committee shall be a Member of a recognised professional accounting body. Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.		

COMPULSORY GOVERNANCE CODES

Principle	Compliance Requirement	Details of implementation	Status
9.13.4	Functions of the Audit Committee	Refer Audit Committee Report	✓
9.13.5	Disclosures in Annual Report a) Chairperson and Audit Committee members' details, b) Risk management status for the Company. c) CEO and CFO assurance statement. d) Compliance opinion on financial reporting requirements. e) Confirmation of Audit Charter existence. f) Summary of internal audit method. g) Details of functions discharged for the financial year. h) Confirmation of external auditors' independence. i) Auditor independence determination and engagement details.	All the relevant details available have been disclosed in the Committee Report.	✓
9.14	Related Party Transactions Review Committee		
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	The Company has established a Related Party Transactions Review Committee and complies with the requirements outlined in Rule 9.14. The Committee operates under a set of written terms of reference that clearly outline Its scope, authority, duties. Refer the Related Party Transaction Review Committee Report for more detail.	✓
9.14.2	Composition (1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee. (2) If a parent company and the subsidiary are Listed Entities, the Related Party Transactions Review Committee of the parent company may be permitted to function as the Related Party Transactions Review Committee of the subsidiary.	Refer the Related Party Transaction Review Committee Report	✓
9.14.3	Functions of the Related Party Transactions Review Committee	Refer the Related Party Transaction Review Committee Report	✓
9.14.4	General Requirements (1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors. (2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.	Refer the Related Party Transaction Review Committee Report	✓

Principle	Compliance Requirement	Details of implementation	Status
	(3) The Committee convenes quarterly, ensuring thorough documentation of meeting minutes for the Board of Directors. Committee members have access to adequate expertise to evaluate proposed transactions, seeking professional advice when necessary. (4) Approval from the Board of Directors is required for reviewed transactions as mandated by Rule 9.14.4. Directors with personal interests in such matters must abstain from participation and voting during relevant Board Meetings.		
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	Refer the Related Party Transaction Review Committee Report	✓
9.14.6	Shareholder Approval (1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the Related Party Transactions as set out in Section 9.14.6 (2) A transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation. If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.	Refer the Related Party Transaction Review Committee Report	✓
9.14.7	A Listed Entity shall make an immediate Market Announcement to the Exchange as setoff in Section 9.14.7.	The Board confirms that the Company has disclosed transactions with Related Parties in terms of Sri Lanka Accounting Standard (LKAS 24) and has complied with all requirements as per the CSE Listing Rules.	✓
9.14.8	Disclosures in the Annual Report	Refer the Related Party Transaction Review Committee Report and Note 33 of the Notes to the Financial Statements	✓
9.14.9	Acquisition And Disposal of Assets From/To Related Parties	Refer Note 33 of the Notes to the Financial Statements	✓
9.14.10	Exempted related party transactions	The Company has noted the definition given under exempted related party transactions when determine the related party transactions of the Company	✓
9.16	Additional Disclosures		
	i. The Board of Directors has disclosed all material interests in Entity contracts and refrained from voting on such matters.	Refer Annual Report of Board of Directors	✓
	ii. The Board has reviewed internal controls and obtained reasonable assurance of effectiveness. Any inability to declare is explained.	Refer Annual Report of Board of Directors	✓
	ii. The Board stays informed about applicable laws, rules, and regulations.	Refer Annual Report of Board of Directors	✓
	iv. The Board discloses instances of non-compliance and material fines in Entity- operated jurisdictions.	Refer Annual Report of Board of Directors	✓

VOLUNTARY GOVERNANCE CODES

CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE 2023, CA SRI LANKA

The Company's status of compliance against the Code of Best Practice on Corporate Governance 2023, issued by CA Sri Lanka is given below.

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation																																	
A. Directors	The company should be headed by an effective Board, which should direct, lead and control the Company.																																		
A.1 The Board	The Board is composed of three (03) Non-Executive Independent Directors, five (05) Non-Executive Non-Independent Directors (including the Chairman) and one (01) Executive Non-Independent Director, all of whom are professionals in finance, investment banking, and management.																																		
Frequency of Board Meetings	A.1.1 Complied	The Board meets at least once every quarter, with additional meetings scheduled as needed. These quarterly meetings are designed to set the Company's strategic direction, review operational and financial performance, and provide oversight. The following table shows the attendance of Directors at Board meetings throughout the year. <table> <tr> <th>Name of the Director</th><th>Attendance</th><th>Eligibility</th></tr> <tr> <td>Mr. D. A. De Zoysa</td><td>5</td><td>5</td></tr> <tr> <td>Mr. K. P. Mannakkara</td><td>4</td><td>4</td></tr> <tr> <td>Mr. W. A. T. Fernando</td><td>5</td><td>5</td></tr> <tr> <td>Mr. C. S. R. S. Anthony</td><td>5</td><td>5</td></tr> <tr> <td>Ms. N. T. M. S. Cooray</td><td>5</td><td>5</td></tr> <tr> <td>Mr. T. J. William</td><td>5</td><td>5</td></tr> <tr> <td>Ms. W. T. V. Perera</td><td>5</td><td>5</td></tr> <tr> <td>Ms. K. A. Chellaraja</td><td>4</td><td>5</td></tr> <tr> <td>Ms. R. S. Jayasuriya</td><td>5</td><td>5</td></tr> <tr> <td>Mr. R. J. Arasaratnam (resigned w.e.f. 17.11.2025)</td><td>3</td><td>4</td></tr> </table> A board pack containing all relevant information is submitted to the Board of Directors Financial and operational results on pre-agreed Key Performance Indicators - Included in the Quarterly board pack Financial performance compared to previous periods, budgets, and targets - Included in the Quarterly board pack Impact of risk factors on financial and operating results and actions to mitigate such risks - Included in the Quarterly board pack Forecast for the next period - A Budget is set at beginning of the year and a Rolling Forecast with scenario analysis has been provided on request. Compliance with laws and regulations and any non-compliances - Included in the quarterly CRCO confirmation checklist Internal control breaches or frauds during the period and related actions taken - Independent Internal Audits are carried out periodically and exceptions are reported to the Board Financial and operational decisions taken by the CEO within his delegated authority - Discussed on ad-hoc basis and through the board pack and Board Meetings Share trading of the Company and related party transactions by Key Management Personnel - The Company Secretary informs the Board of any related party shares transactions performed by the Directors.	Name of the Director	Attendance	Eligibility	Mr. D. A. De Zoysa	5	5	Mr. K. P. Mannakkara	4	4	Mr. W. A. T. Fernando	5	5	Mr. C. S. R. S. Anthony	5	5	Ms. N. T. M. S. Cooray	5	5	Mr. T. J. William	5	5	Ms. W. T. V. Perera	5	5	Ms. K. A. Chellaraja	4	5	Ms. R. S. Jayasuriya	5	5	Mr. R. J. Arasaratnam (resigned w.e.f. 17.11.2025)	3	4
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Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
Responsibilities of the Board	A.1.2 Complied	The Board's role is to provide entrepreneurial leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed. The Board adopted the following responsibilities, Ensuring the formulation and implementation of a sound business strategy - The Board offers stewardship, vision, and strategic direction to the Company while fostering a culture of responsibility and accountability throughout the organisation. The strategy formulation adopts a stakeholder-centric approach. During Board meetings, the business, marketing, financial, and other strategies are reviewed and their implementation is assessed. Appointing the chair and the Senior Independent Director, if relevant. N/A, since the Chairman and the CEO of the Company are not the same person. Ensuring that the Chief Executive Officer (CEO) and management team possess the skills, experience, and knowledge to implement the strategy - The Nominations and Governance Committee is mandated to ensure that capable and suitably qualified individuals hold the key roles in the Group. It evaluates the appointment of the Group CEO and Key Management Personnel, recommends such appointments to the Board and reviews their succession plans. - On the recommendation of the Committee, the Board satisfies itself that the Group CEO and the management team possess the skills, experience and knowledge required to implement the Group's strategy. Ensuring the adoption of an effective CEO and Key Management Personnel succession strategy - Succession planning for the Group CEO and Key Management Personnel is overseen jointly by the Remuneration Committee and the Nominations and Governance Committee, which review succession plans and report to the Board; significant succession decisions are referred to the Board for approval. Approving budgets and major capital expenditure - The budget for the year was approved at the beginning of the financial year - Capital expenditure is included in the budget. Further, the Board reviews all the significant capital expenditure made during the year. Determining the matters expressly reserved to the board and those delegated to the management including limits of authority and financial delegation - The Board determines on the matters expressly reserved to the Board such as formulating the strategy, significant transactions and deciding on the risk appetite of the Company. Ensuring effective systems to secure the integrity of information, internal controls, business continuity and risk management - The Board identifies significant risks on an ongoing basis and ensures the implementation of appropriate procedures to evaluate and manage the identified risks through internal and external audits and the Risk and Audit Committees.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
Responsibilities of the Board	A.1.2 Complied	Ensuring compliance with laws, regulations, and ethical standards - The Board ensures compliance with the laws, regulations, and standards on each area of business operations. The Internal Auditors and the CRO monitor and report to the Audit Committee on their findings. Ensuring all stakeholder interests are considered in corporate decisions - The Board considers all stakeholders when making corporate decisions Recognising sustainable business development in Corporate Strategy, decisions and activities - The Board recognises the importance of incorporating Environmental, Social, and Governance (ESG) principles into the Group's corporate strategy, decision-making, and risk management processes, ensuring that business activities drive long-term, sustainable value creation for all stakeholders. Ensuring that the Company's values and standards are set with emphasis on adopting appropriate accounting policies and fostering compliance with financial regulations - The Company keeps up to date with all current developments in relation to accounting standards and has reviewed the accounting policies regularly - The Independent Auditor's Report appears from Pages 108 to 111 in the Annual Report and affirms that the Company's Financial Statements are in line with Sri Lanka Accounting Standards (SLFRSs & LKASs). Establish a process of monitoring and evaluation of progress on strategy implementation budgets, plans and related risks - Each Board meeting, the progress of strategy implementation, achievement of budgets, plans and related risks are reviewed Ensuring that a process is established for corporate reporting on annual and quarterly basis or more regularly as relevant to the Company - The Company provides its accounts quarterly and annually to the Board for their review Fulfilling such other Board functions are vital, given the scale, nature and complexity of the business concerned - Throughout the year, the Board remained dedicated to fulfilling its obligations to all stakeholders, in accordance with the laws, regulations, and governance practices of the Company.
Compliance with Laws & independent Professional advice	A.1.3 Complied	The Board Directors, both individually and collectively, comply with the laws applicable to the business enterprise. In fulfilling their duties, the Directors seek independent professional advice from external parties when necessary.
Company Secretary	A.1.4 Complied	The Company Secretary provides the Board with support and advice on corporate governance matters, board procedures, and applicable rules and regulations throughout the financial year. The Board members have unrestricted access to the advice and services of the Company Secretary. The decisions of appointing and removing of the Company Secretary are made by the Board.

Corporate Governance Principle and Code Ref.		Status of Compliance	Details of implementation
Independent judgment	A.1.5	Complied	All the Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct.
Dedication of adequate time & effort by the Board	A.1.6	Complied	The members of the Board dedicated adequate time and effort to fulfil their duties & responsibilities as Directors of the Company and ensure that they are satisfactorily discharged. In addition to the board meetings, Directors attended to Sub-Committee meetings and contributed to the decision making The Board Sub-Committees include: • Audit Committee • Risk Advisory Committee • Remuneration Committee • Nominations and Governance Committee • Related Party Transactions Review Committee
Calling for resolutions for the best interest to the Company	A.1.7	Complied	Any Director may call for a resolution to be presented to the Board where he feels it is in the interest of the Company. As per the Articles of Association, the resolutions can be passed with majority voting.
Training for new and existing Directors	A.1.8	Complied	The Directors are encouraged to participate in continuous professional and self-development activities as necessary. The Board recognises the requirement for continuous training and development required to effectively perform their duties as the Directors. The Board regularly reviews the training and development needs of the Directors. During the financial year under review, the Chairman attended a training programme on board governance held in France.
A.2 Chairman and Chief Executive Officer	There are two key tasks at the top of every public Company-conducting of the business of the Board and facilitating executive responsibility for the management of the Company's business. There should be a clear division of responsibilities at the Head of the Company, which will ensure a balance of power and authority, such that no individual has unfettered powers of decision.		
Separation of Posts of Chairman and Chief Executive Officer (CEO)	A.2.1	Complied	The roles of Chairman and Group CEO have been separated to maintain a balance of power and authority, ensuring that no single individual holds unrestricted decision-making power.
A.3 Chairman's Role	The Chairman is responsible for preserving order and facilitating the effective discharge of Board functions		
	A.3.1	Complied	The Chairman in running of the Board, facilitates the effective discharge of the Board proceedings and ensures; The effective participation of both Executive and Non-Executive Directors The Agenda for the Board meetings is developed in consultation with the Group CEO, Directors, CRCO, Chief Financial Officer and the Company Secretary The effective contributions by all Directors at proceedings The views of Directors on issues under consideration are ascertained The Board controls on the affairs of the Company and its obligations to all the stakeholders The balance of power between Executive and Non-Executive Directors is maintained.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
A.4 Financial Acumen		The Board should ensure the availability within it, of those with sufficient financial acumen and knowledge to offer guidance on matters of finance. A.4 Complied The Board includes the Directors who possess the necessary knowledge and competence to offer the Board guidance on financial matters. A brief resume for each Director is on Pages 54 to 56. In addition, the Audit Committee can discuss with the external and internal auditors on matters of finance.
A.5 Board Balance		The Board should have a balance of Executive and Non-Executive Directors such that no individual or small group of individuals can dominate the Board's decision-taking.
Number of non-executive directors	A.5.1 Complied	The Board consists of three (03) Non-Executive Independent Directors, five (05) Non-Executive Non-Independent Directors (including the Chairman) and one (01) Executive Non-Independent Director. The profiles of the Directors are given on Pages 54 to 56 of this Annual Report.
Number of independent directors	A.5.2 Complied	Three (03) of the eight (08) Non-Executive Directors are considered independent for the financial year under review.
Meaning of independence	A.5.3 Complied	The profiles of the Directors are given on Pages 54 to 56 of this Annual Report and include tenor, age,
Annual and quarterly declarations of independence	A.5.4 Complied	The Board annually determines the independence of each Non-Executive Director based on the declarations submitted by them and by other information available to the Board.
Board determination of independence and criteria	A.5.5 Complied	The Independent Directors have submitted written declarations of their independence.
Alternate directors	A.5.6 Complied	No Alternate Directors were appointed during the year under review.
Appointment of a Senior Independent Director (SID)	A.5.7 N/A	N/A
SID availability, shareholder meetings and report	A.5.8 N/A	N/A
Meeting of Non-Executive Directors	A.5.9 Not Complied	The chairman should hold meetings with the non-executive directors only, without the executive directors being present, as necessary and at least once each year. A separate meeting this nature was not held during the year under review. However, the Chairman engages with the Non-Executive Directors on a need basis.
Recording of concerns in Board minutes	A.5.10 Complied	All concerns raised by the Directors about the matters of the Company which cannot be unanimously resolved have been duly recorded in the Board minutes with sufficient detail.

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
A.6 Supply of Information	The Board should be provided with timely information in a form and quality appropriate to enable it to discharge its duties.	
The Management has the obligation to provide appropriate & timely information	A.6.1	Complied The Board is provided with timely information in a form and of a quality appropriate to enable it to discharge its duties effectively. The Directors make further inquiries where necessary, should information provided by management not be enough.
	A.6.2	Complied The Agenda for the Board meeting and connected discussion papers were ordinarily circulated to the Directors seven (7) days in advance to facilitate the effective conduct of the meeting.
A.7 Appointments to The Board	A formal and transparent procedure should be followed for the appointment of new Directors to the Board	
Composition of the nomination committee	A.7.1	Complied The Board has formally established a Nominations and Governance Committee (NGC) to make recommendations on Board appointments. Accordingly, all future appointments to the Board will be made based on the recommendations of the Nominations and Governance Committee
Annual assessment of board composition; fit and proper	A.7.2	Complied The Board annually assesses the Board composition to meet the regulatory and governance requirement.
Succession planning for CEO and KMP	A.7.3	Complied Succession planning is given recognition through meetings of the Board where succession is discussed along with significant new hires.
Disclosure on appointment of a new director	A.7.4	Complied Upon the appointment of a new Director to the Board, the Company forthwith discloses to the Shareholders, along with a brief resume of the Director which includes; • The nature of his expertise in relevant functional area • The other Directorships or memberships in Board sub committees • Whether the Director is considered an Independent Director The appointment of Mr. K. P. Mannakkara to the Board on 24th July 2025 was disclosed forthwith to the Colombo Stock Exchange and the shareholders, together with a brief resume covering the above.
Nomination committee disclosure in the annual report	A.7.5	Complied Please refer Nominations and Governance Committee Report
Nomination committee terms of reference	A.7.6	Complied Please refer Nominations and Governance Committee Report
A.8 Re-election	All Directors should be required to submit themselves for re-election at regular intervals and at least once in every three years	
Terms of appointment of non-executive directors	A.8.1	Complied Re-appointment of the Non-Executive Directors has been done according to the provision of the Companies Act.
Election and re-election by shareholders	A.8.2	Complied All the Directors Including the Chairman of the Board should be subject to election by Shareholders at the first opportunity after their appointment, and re-election thereafter at intervals of no more than 3 years.
Resignation	A.8.3	Complied Written communications are provided to the Board by Directors, who resign prior to the completion of their appointed term.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
A.9 Appraisal of Board Performance	The Boards should periodically appraise their own performance to ensure that Board responsibilities are satisfactorily discharged.	
Formal and rigorous review process	A.9.1	Complied The performance of the Board of Directors is reviewed by the Nominations and Governance Committee of the Company
Annual self-evaluation	A.9.2	Complied The performance of the Board of Directors is reviewed by the Nominations and Governance Committee of the Company
Review at the time of re-election	A.9.3	Complied Refer Nominations and Governance Committee Report
Disclosure of how evaluations were conducted	A.9.4	Complied Refer Nominations and Governance Committee Report
A.10 Disclosure of information in respect of Directors	Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders.	
Disclosure of information in respect of Directors	A.10.1	Partial Compliance Refer to the profiles of the Directors in the Section on Board of Directors on Pages 54 to 56 For attendance at meetings please refer Committee Reports on Pages 73 to 78
A.11 Appraisal of the Chief Executive Officer	The Board of Directors should at least annually assess the performance of the Chief Executive Officer	
Target/Goals for the CEO	A.11.1	Complied At the commencement of each financial year, the Board in consultation with the Chief Executive Officer sets financial and non-financial goals based on the short, medium, and long-term objectives of the Company.
Evaluation of the performance of the CEO	A.11.2	Complied The performance of the Group CEO is evaluated by the Board at the end of each financial year.
B. Directors' Remuneration		
B.1 Remuneration Procedure	The Company should have a formal and transparent procedure for developing policy on executive remuneration and fixing the remuneration packages of individual Directors. No Director should be involved in deciding his/her own remuneration.	
Remuneration Procedure	B.1.1	Complied The Board has implemented a formal and transparent procedure for developing policies on remuneration by setting up a Remuneration Committee. Its purpose is to assist the Board of Directors in matters relating to compensation of the Company's Directors, Executive Officers and such other employees as determined by the Committee.
B.2 Remuneration Committee		
Remuneration Committee	B.2.1	Complied The Remuneration Committee consists of three (03) Non-Executive Directors, two of whom are Independent. The Chairperson of the Committee is a Non-Executive Independent Director.
Committee Composition	B.2.2	Complied Refer Remuneration Committee report.
Consultation and access to professional advice	B.2.3	Complied The Remuneration Committee consults the Chairman about its proposal relating to the remuneration of other Executive Directors and has access to professional advice in discharging their responsibilities.

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
Remuneration of the Committee B.2.4	Complied	In terms of the Articles of Association of the Company, the Directors determine the fees payable to the Non-Executive Directors.
Design of executive directors' remuneration B.2.5	Complied	Executive Directors' and Key Management's remuneration is designed to promote the long-term success of the Company.
Positioning against comparable companies B.2.6	Complied	The remuneration committee ensures that the remuneration of executives at each level is competitive and is in line with their performance. Surveys are conducted as and when necessary to ensure that the remuneration is on par with market rates.
Sensitivity to conditions elsewhere in the group B.2.7	Complied	When determining annual salary increments, the remuneration committee is sensitive to remuneration and employment conditions elsewhere in the Company.
Performance-related remuneration B.2.8	Complied	The Remuneration Committee reviews the performance of the Executive Directors and senior management and the performance bonus is based upon the achievement of goals and targets by the individual.
Executive share options B.2.9	Complied	The Company does not operate an Employee Share Option Plan (ESOP); no share options have been granted to the Executive Director.
Schedule G provisions and clawback B.2.10	Complied	If the situation arises, the Remuneration Committee will tailor their approach in the event of early termination to be relevant to the circumstances.
Compensation commitments on early termination B.2.11	Complied	No specific Compensation scheme has been implemented
Approach where contracts are silent B.2.12	Complied	If the situation arises, the Remuneration Committee will tailor their approach in the event of early termination to be relevant to the circumstances.
Determination of non-executive directors' remuneration B.2.13	Complied	Remuneration of Non-Executive Directors reflects their time commitment and responsibilities of their role and market practices. It does not include share options.
Level of non-executive directors' remuneration B.2.14	Complied	As mentioned in B.2.1, the remuneration of the Executive Directors is designed to attract and retain high calibre executives which leads to long term success of the Company and are benchmarked against industry remuneration.
Disclosure of committee membership B.2.15	Complied	Refer Remuneration Committee report.
Remuneration committee terms of reference B.2.16	Complied	Refer Remuneration Committee report.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation	
B3 Disclosure of Remuneration			
Remuneration committee report content	B.3.1	Complied	Refer Remuneration Committee report.
Senior management remuneration disclosure	B.3.2	Complied	Refer Note 33 to the Financial Statements.
C. Relations with Shareholders			
C.1 Constructive use of the Annual General Meeting and Conduct of General Meetings	The Board should use the Annual General Meeting to communicate with shareholders and encourage their active participation.		
Notice of the AGM	C.1.1	Complied	Notice of Meeting is sent to shareholders 15 working days prior to the date of the AGM, as required by statute and a copy of the Annual Report including Financial Statements and the Form of the Proxy are shared online on the CSE and Official Website of the company in order to provide the opportunity to all the shareholders to attend the AGM.
Separate resolutions and proxy voting options	C.1.2	Complied	A separate resolution is proposed for each issue at the AGM. Further, adoption of the Annual Report of the Board of Directors on the affairs of the Company and Audited Financial Statements together with the Report of the Auditors thereon are considered as a separate resolution.
Recording and counting of proxies; disclosure of results	C.1.3	Complied	The Company ensures that all valid proxy appointments received for General Meetings are properly recorded and counted. The Company Secretary administers the AGM.
Availability of committee chairmen and the SID at the AGM	C.1.4	Complied	The chairpersons of the sub-committees are present at the AGM to answer any questions raised by the shareholders if so requested by the Chairman.
Voting procedures	C.1.5	Complied	The procedure governing voting at the General Meeting is circulated with the Notice of Meeting.
C.2 Communication with shareholders	The Board should implement effective communication with shareholders		
Channel to reach all shareholders	C.2.1	Complied	The Company encourages effective communication with the shareholders and answers queries and concerns of shareholders through the Company Secretaries and on the corporate website.
Disclosure of communication policy and methodology	C.2.2	Complied	The Company's policy on communication with shareholders involves the sharing of all financial and non-financial information as per the applicable statutory and regulatory requirements and best practices adopted by the Company. The methodology of communication with shareholders is multi-faceted to ensure the accuracy of information disseminated and the timeliness of dissemination.
Disclosure of implementation	C.2.3	Complied	The implementation of the policy and the methodology is done through the adoption of the above-mentioned channels of communication.

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
Contact person for communication	C.2.4 Complied	The contact person for shareholder communication is the Company Secretary and the designated person is appointed to answer queries from the shareholder relating to circulation of the Annual Report.
Making directors aware of shareholder concerns	C.2.5 Complied	The Company Secretaries maintain a record of all correspondence received and will deliver such correspondence to the Board or individual Director as applicable. The Board or individual Director, as applicable, will respond appropriately to all validly received shareholder correspondence and will direct the Company Secretaries to send the response to the particular shareholder.
Person to contact on shareholders' matters	C.2.6 Complied	The Contact Person in relation to all matters pertaining to the Shareholders is the Company Secretary.
Process for responding to shareholder matters	C.2.7 Complied	The Company Secretary is assigned to respond to shareholders by the Board and update the Board on such matters.
C.3 Major and Material Transactions	The Directors should disclose to shareholders all proposed material transactions which would materially alter the net asset position of the Company, if entered into.	
Disclosure of Major Transactions	C.3.1 Complied	The Board discloses all material facts regarding any proposed "Major Transaction" (as defined under Section 185 of the Companies Act No. 7 of 2007) to shareholders prior to entering into or committing to such transactions.
Companies Act compliance	C.3.2 Complied	All Major Transactions as defined in Section 185 of the Companies Act No. 07 of 2007 – being the acquisition or disposition of assets, or the acquisition of rights or interests or incurring of obligations or liabilities, of a value greater than half the value of the Company's assets before the transaction, or any transaction that would substantially alter the nature of the Company's business – are subject to prior shareholder approval by Special Resolution at a General Meeting.
Listed Company Obligations & RPT Rules	C.3.3 Complied	The Company complies with CSE Listing Rules and SEC regulations regarding major transactions and Related Party Transactions (RPTs). RPTs exceeding mandatory thresholds as per CSE Listing rule 9 undergo review by the Related Party Transactions Review Committee (RPTRC), immediate market disclosure, and shareholder approval where required.
D. Accountability and Audit		
D.1 Financial and Business Reporting	The Board should present a balanced and understandable assessment of the Company's financial position, performance, business model, governance structure, risk management, internal controls and challenges, opportunities, and prospects.	
Annual report and financial statements	D.1.1 Complied	The Board has presented the Annual Report which includes the Financial Statements of the Company that are true and fair, balanced, and understandable and prepared in accordance with LKASs and SLFRSs to regulators as well as presented interim and other public price sensitive information in a balanced and understandable way as required by statutory requirements.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
Interim and price-sensitive reports	D.1.2	Complied The Board is aware of its responsibility to present regulatory and statutory reporting in a balanced and understandable manner and a statement to this effect is given in the 'Statement of Directors' Responsibility' on Page 71 confirming this position. In preparing annual and quarterly Financial Statements, the Company complies with the requirements of the; - Companies Act No. 07 of 2007, - Sri Lanka Accounting Standards (SLFRSs & LKASs) - CSE Listing Rules
CEO and CFO declaration	D.1.3	Complied The Chief Financial Officer and the Group Chief Executive Officer review year-end Financial Statements before submitting to the Audit Committee and the Board and ensure that, the financial records of the entity have been properly maintained and that the Financial Statements comply with the appropriate accounting standards and give a true and fair view.
Directors' report declarations	D.1.4	Complied The Declarations required to be made by the Board are given in the Annual Report of the Board of Directors (refer Pages 67 to 70)
Statements of responsibility and internal control report	D.1.5	Complied The Statement of Directors' responsibility in preparation of the Financial Statements is given on Page 71 while the Independent Auditor's report on Pages 108 to 111 states the Auditor's responsibility for the Financial Statements.
Management discussion and analysis	D.1.6	Complied Management discussion and analysis and Financial Review are given on Pages 9 to 52 of this report. The risk management report is given on Pages 44 to 52. These together discuss; - Business model; - Industry structure and developments; - Opportunities and threats; - Risk management; - Internal control systems and their adequacy; - Governance; - Stakeholder relationships; - Financial performance; - Human resource/industrial relations activities carried out by the Company; and - Prospects for the future
Summoning an Extra Ordinary General Meeting (EGM) to notify Serious loss of capital	D.1.7	N/A
Related party transactions	D.1.8	Complied The transactions entered into by the Company with the related parties are disclosed in Note 33 of the Financial Statements.

Corporate Governance Principle and Code Ref.		Status of Compliance	Details of implementation
D.2 Risk Management and Internal Control			The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board should have a process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets. Broadly, risk management and internal control is a process, effected by a Company's Board of Directors and management, designed to provide reasonable assurance regarding the achievement of Company's objectives
Risk management framework	D.2.1	Complied	Refer section on Risk Management.
Robust assessment of principal risks	D.2.1.1	Complied	Refer section on Risk Management.
Disclosure of the risk management framework	D.2.1.2	Complied	Refer section on Risk Management.
Establishment of a risk committee	D.2.1.3	Complied	Refer Risk Advisory Committee Report.
Determining the need for a separate risk committee	D.2.1.4	Complied	Refer Risk Advisory Committee Report.
Composition of an independent risk committee	D.2.1.5	Partial Compliance	The risk advisory committee consists wholly of non-executive directors but is not chaired by an independent -non executive director. Refer Risk Advisory Committee Report for more detail.
Risk committee terms of reference	D.2.1.6	Complied	Refer Risk Advisory Committee Report.
Risk committee report	D.2.1.7	Complied	Refer Risk Advisory Committee Report.
Regulated industries	D.2.1.8	Complied	Established as required
Internal control process	D.2.2	Complied	The Company has internal audit processes implemented to ensure that effective controls are in place. These processes extend across all Company operations.
Annual review of internal control effectiveness	D.2.2.1	Complied	An Internal Audit is executed bi-annually under supervision of the Audit Committee.
Internal audit function	D.2.2.2	Complied	The internal audit function is outsourced, and reports to the Board Audit Committee.
Audit committee review and board responsibility	D.2.2.3	Complied	The Audit Committee monitors, reviews, and evaluates the effectiveness of internal control system including the internal controls over financial reporting. In the reporting period ended 31st March 2026, the Board of Directors was satisfied with the effectiveness of the system of internal controls of the Company.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
D.3 Audit Committee		The Board should establish formal and transparent arrangements for selecting and apply accounting policies, financial reporting and internal control principles and maintaining an appropriate relationship with the Company's Auditors.
Composition of the audit committee	D.3.1 Complied	The Audit Committee consists of two (02) Non-Executive Independent Directors and one (01) Non-Executive Non-Independent Director. Directors who served on the Audit Committee during 2025/26 • Ms. W. T. V. Perera (Chairperson) • Mr. C. S. R. S. Anthony • Ms. K. A. Chellaraja
Terms of reference, purpose and duties	D.3.2 Complied	The Audit Committee has a written Terms of Reference dealing with its authority and duties. The Audit Committee is responsible for reviewing the financial reporting system and Financial Statements, including compliance with relevant accounting standards, laws and company policies, and monitoring the scope & results of the internal and external audit, its effectiveness and the independence, performance and objectivity of the external auditors. In the event the auditors are contracted for non-audit services, the Committee reviews the nature and extent of such services with the aim of balancing objectivity, independence, and value for money. The adequacy and effectiveness of the internal control system is reviewed by the Audit Committee with the Company Internal Auditor. During the Audit Committee meetings, Internal Auditors are invited to present their internal audit findings. Management is expected to implement an effective system of internal control that addresses the following: • Safeguarding of assets • Maintaining proper accounting records • Providing reliable financial information • Identifying and managing business risks • Compliance with legislation and regulation • Early detection of instances of non-compliance • Identification and adoption of best practices
Audit committee disclosures	D.3.3 Complied	The names of the members of the Audit Committee, Committee meetings held, and the attendance of members is available in the Audit Committee Report. The basis of determination of the independence of Auditors is contained in the Audit Committee Report.

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
D.4. Risk Committee	The board should establish a procedure for risk management including how they determine risk culture, risk appetite, risk identification and classification, rating and management of risk.	
Composition and attendance	D.4.1	Refer Risk Advisory Committee Report.
Risk committee terms of reference	D.4.2 Complied	Refer Risk Advisory Committee Report.
Meeting frequency and secretary	D.4.3 Complied	Refer Risk Advisory Committee Report.
External professional advice	D.4.4 Complied	Refer Risk Advisory Committee Report.
Risk committee report	D.4.5 Complied	Refer Risk Advisory Committee Report.
D.5 Related Party Transactions Review Committee	The Board should establish a procedure to ensure that the Company does not engage in transactions with related parties in a manner that would grant such parties more favourable treatment than that accorded to third parties in the normal course of business	
Definitions of related party and KMP	D.5.1 Complied	Related party and related party transactions are defined as per LKAS 24 in the Financial Statements.
Composition and meeting frequency	D.5.2 Complied	The Related Party Transactions Review Committee consists of two (02) Non-Executive Independent Directors and one (01) Non-Executive Non-Independent Director. Refer Related Party Transactions Review Committee Report for more detail.
Terms of reference	D.5.3 Complied	Refer Related Party Transactions Review Committee Report.
D.6 Code of Business Conduct and Ethics	The Companies must adopt a Code of Business Conduct & Ethics for Directors, Key Management Personnel and all other employees' including but not limited to: dealing with shares of the company; compliance with listing rules; bribery and corruption; confidentiality; encouraging that any illegal, fraudulent, and unethical behaviour be promptly reported to Those Charged with Governance. The company must disclose waivers of the Code for Directors, if any.	
Adoption, declaration and content of the code	D.6.1 Complied	The Company has adopted a Code of Business conduct and ethics and the Directors and Key Management Personnel are committed to the Code and the principles contained therein. There were no reported cases of non-compliance to, Code of Business Ethics by any Director, Key management personnel or any other employee.
Material and price-sensitive information	D.6.2 Complied	The company has a process in place to ensure that material and price sensitive information is promptly identified and reported in accordance with the relevant regulations.
Share dealing policy, monitoring and disclosure	D.6.3 Complied	The policy is in place and any share transaction done by Board Director needs to be immediately disclosed to the Company Secretary. Any share transaction done by Key Management Personnel, other than Board Directors must be reported to the Compliance Officer of the Company.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation	
Whistleblowing procedure	D.6.4	Complied	The Company established the Whistleblowing Policy to educate and encourage all staff members to use the whistleblowing avenue when they have credible reasons to suspect any misconduct or impropriety. Comprehensive protocols are in place to conduct impartial investigations into incidents reported through this channel or discovered by other means. All raised concerns are thoroughly examined, and the identity of the reporting individual is kept confidential. Anonymous complaints are also investigated. Audit Committee and the Board have started a process to review the existing policy to update and to simplify the process further to encourage engagement. The improved policy to be launched in 26/27.
Training and annual confirmation	D.6.5	Complied	The Company has established a process to handle complaints from whistleblowers, including employees, customers, and suppliers, regarding violations of the company's code of business conduct and ethics. New employees are trained on these guidelines during onboarding, and all employees confirm compliance annually.
Dissemination, violations reporting and waivers	D.6.6	Complied	The Company has established a process to handle complaints from whistleblowers, including employees, customers, and suppliers, regarding violations of the company's code of business conduct and ethics.
Chairman's affirmation	D.6.7	Complied	The Chairman's affirmation in the Company's Annual Report that he is not aware of any violation of any of the provisions of the Code of Business Conduct & Ethics.
D.7 Corporate Governance Disclosures	The Company should disclose the extent of adoption of best practices in Corporate Governance.		
Corporate Governance Report	D.7.1	Complied	The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the code.
E. Institutional & Other Investors			
E.1 Shareholders voting	Institutional shareholders have a responsibility to make considered use of their votes and should be encouraged to ensure their voting intentions are translated into practice		
Shareholder Voting ; Structured dialogue with shareholders	E.1	Complied	The Company is committed to maintaining good communications with investors. The Company circulates, the AGM resolutions for shareholders' approval. Further, the Directors consider that it is important to understand the views of shareholders and, in particular, any issues which concern them.
Evaluation of Governance Disclosures	E.2	Complied	When evaluating the governance arrangements particularly, in relation to the Board structure and composition, institutional investors are encouraged to give due weight to all relevant factors drawn to their attention.

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
F. Other Investors		
Investing and Divesting decisions F.1	Complied	Individual shareholders, investing or divesting directly in shares of the Company are encouraged to carry out adequate analysis and seek the independent advice in such decisions.
Shareholder Voting F.2	Complied	All shareholders are encouraged to participate at meetings of the company and a form of proxy accompanies each notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote.
G. IT Governance and Oversight		
Identifying IoT connectivity and cyber risk G.1	Complied	The Company has implemented adequate access controls and firewalls exist.
Appointment of a CISO and cybersecurity policy G.2	Complied	A dedicated Risk and information Security Officer oversees the implementation, execution, and continuous monitoring of the Group's information security policies and Cyber risk management. The resource is part of the Group Risk Management Unit
Board agenda time for cyber risk G.3	Complied	Board-level oversight of technology investments, digital transformation, and Cyber security risk management is supported by the IT Governance, Cybersecurity, and Risk (ITGCR) Committee. All matters relevant to cyber risk are covered in the risk register and discussed at the risk advisory committee meetings. A dedicated IT Risk and Security specialist is also part of the Group Risk Team and is responsible for the maintenance of the IT Risk and Security Framework and its reporting
Independent periodic review and assurance G.4	Complied	A robust Cyber Risk Management Policy is enforced, supported by regular vulnerability assessments and annual independent Vulnerability Assessment and Penetration Testing (VAPT) across core systems.
Annual report disclosure of the cyber risk process G.5	Complied	Formal Cyber Incident Response Protocols are in place to detect, mitigate, and escalate security events to the Board. No material cybersecurity breaches or incidents occurred during the financial year.

VOLUNTARY GOVERNANCE CODES

Corporate Governance Principle and Code Ref.	Status of Compliance	Details of implementation
H. Environment, Society and Governance (ESG)		
ESG in business and strategic plans	H.1 Partial Compliance	The Board recognises the importance of Environmental, Social, and Governance (ESG) principles and progressively integrates sustainable practices into core business operations and processes. While the Company currently reports key governance, social, and environmental initiatives within its narrative Annual Report disclosures, it has not adopted a fully integrated Sustainability Reporting framework for the financial year under review.
Stakeholder engagement	H.2 Partial Compliance	The Group maintains open communication channels with stakeholders to capture operational feedback. While material ESG issues are reviewed informally at management level, a formal Materiality Assessment Matrix is not published in this report.
Governance framework and structure to support ESG Factors	H.3 / H.4. Not Complied	ESG risks have not been fully integrated into the existing Enterprise Risk Management (ERM) framework. The Board is evaluating the alignment of its ERM and reporting practices with global ESG standards for future cycles.
Annual report disclosure of ESG	H.5 Not Complied	The Company currently reports key governance, social, and environmental initiatives within its narrative Annual Report disclosures, it has not adopted a fully integrated Sustainability Reporting framework for the financial year under review.



FINANCIAL STATEMENTS

*The numbers that
measure the machine.*

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF CAPITAL ALLIANCE HOLDINGS PLC

Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Capital Alliance Holdings PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31st March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31st March 2026, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

BASIS FOR OPINION

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the company financial statements and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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T. J. S. Rajakanier FCA
W. K. D. C. Abeyrathne FCA
Ms. B. K. D. T. N. Rodrigo FCA
Ms. C. T. K. N. Perera ACA
R. G. H. Raddella ACA

W. W. J. C. Perera FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A. M. R. P. Alahakoon ACA
H. U. S. T. Dayananda FCA

Ms. S. Joseph FCA
R. M. D. B. Rajapakse FCA
M. N. M. Shameel FCA
Ms. P. M. K. Sumanasekara FCA

Principals: S. R. I. Perera FCMA (UK), LLB, Attorney-at-Law, H. S. Goonewardene ACA, Ms. F. R. Ziyad ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D. Corea Dharmaratne

Carrying amount of financial assets, recognition of gains/losses on trading and interest income on financial assets*Refer to the material accounting policy in Note 3.4.1 and Note 5,16 and 18 to the financial statements*

RISK DESCRIPTION	OUR RESPONSES
As at 31st March 2026, the Group and Company's financial assets portfolio consists with treasury bills and treasury bonds, unit trust investments, share investments measured at fair value and securities purchased under resale agreements and term deposits measured at amortised cost. The carrying amount of treasury bills and treasury bonds measured at fair value through profit or loss is Rs. 83 Bn for Group, unit trust investments measured at fair value through profit and loss is Rs. 6.8 Bn. and Rs. 4 Bn respectively for Group and Company, share investments measured at fair value through profit or loss is Rs. 1.8 Bn and Rs. 580 Mn. respectively for Group and Company, securities purchased under resale agreements measured at amortised cost amount to Rs. 1.9 Bn and investments in debentures Rs. 1.2 Bn for Group and term deposits measured at amortised cost is Rs. 1.1 Bn for Group. Further in Notes 05, the Group and Company have recognised interest income and net gain from trading of financial assets of Rs. 9.6 Bn, Rs. 16 Mn and Rs. 3.4 Bn and Rs. 296 Mn. respectively. As the Group's business operations are sensitive to market conditions, the carrying amounts of these financial assets are considered to be an area of risk for the current financial year considering the uncertainties and volatilities in the macroeconomic environment existed during the year that are still prevailing. Due to rapid changes in the macro-economic environment, the composition of the investment portfolio of the Group and the observability of the market data were affected making the investment decisions and measurement more challenging and significant. In addition, the Group considers income and gain from financial assets as an important element in the preparation of budgets and measuring management performance. Accordingly, due to their materiality in the context of the financial statements as a whole and the prevailing uncertain and volatile macro- economic environment, the carrying amount of Group's financial assets including related gain/losses on trading and interest income are considered to be an area which had a great effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our audit procedures included: » Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the management's key internal controls over identification, measurement and management of measurement risk as well as evaluating the methodologies and input parameters used by the Group in determining carrying amounts including fair values, gains/losses on trading and interest income recognition and measurement. » Testing the operating effectiveness of key IT application controls over gains/losses on trading and interest income, in addition to evaluating the integrity of the general IT control environment. » Comparing observable inputs against independent sources and externally available market data and re-performing independent valuations. » Making inquiries of the management on the market conditions and reviewing the board minutes. » Testing mathematical accuracy and verifying the appropriateness and completeness of the data used. » Obtaining and agreeing with the third-party confirmations for a sample of outstanding financial instruments. » On a sample basis, testing of details over gains/losses on trading and interest income by inspecting a supporting documents, re-computation of gains and losses on trading and interest income and testing of cut off transactions in order to ensure such income is recognised and measured in accordance with the applicable financial reporting requirements. » Assessing the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.

- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- » Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 163 (2) of the Companies Act No.07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3707.



CHARTERED ACCOUNTANTS

Colombo, Sri Lanka
31st August 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Total Income	5	14,979,285,433	17,076,496,853	4,226,549,147	4,874,452,117
Interest Income calculated using Effective Interest Method	6	822,622,283	667,904,637	16,653,359	4,020,806
Other Interest Income	6	8,861,428,840	8,668,675,004	-	-
Interest Expense	7	(6,796,632,446)	(5,968,794,003)	(32,284,918)	(31,576,797)
Net Interest Income/ (Expense)		2,887,418,677	3,367,785,638	(15,631,559)	(27,555,991)
Fee Based Income	8	3,525,947,893	2,533,527,037	52,843,832	41,480,340
Net Gains from Trading	9.1	3,435,507,784	6,655,474,412	296,893,159	74,441,379
Net Fair Value Gains/ (Losses) from Financial Assets at FVTPL	9.2	(1,773,106,003)	(1,518,224,262)	(11,702,518)	12,342,492
Direct Expenses	10	(224,233,432)	(58,459,434)	-	-
Other Income	11	106,884,636	69,140,025	3,871,861,315	4,742,167,100
Total Operating Income		7,958,419,555	11,049,243,416	4,194,264,229	4,842,875,320
Personnel Expenses		(1,721,585,632)	(2,015,687,686)	(107,733,619)	(66,840,404)
Depreciation & Amortisation	12	(132,692,400)	(102,222,871)	(1,184,266)	(3,645,761)
Other Operating Expenses		(1,888,910,519)	(2,304,897,176)	(61,700,503)	(197,036,322)
Reversals of Impairment of Subsidiaries	21.3	-	-	-	24,041,587
Operating Profit	12	4,215,231,004	6,626,435,683	4,023,645,841	4,599,394,420
Share of Profit from Equity accounted Investee (Net of Tax)	22.2	(18,738,133)	-	-	-
Profit Before Income Tax		4,196,492,871	6,626,435,683	4,023,645,841	4,599,394,420
Income Tax (Expense)/ Reversal	13.1	(1,499,572,838)	(2,398,615,379)	(47,250,082)	(1,680,335)
Profit for the year		2,696,920,033	4,227,820,304	3,976,395,759	4,597,714,085
Profit / (Loss) for the year		2,696,920,033	4,227,820,304	3,976,395,759	4,597,714,085
Profit attributable to:					
Owners of the Equity Holders of the Parent Company		2,418,377,590	3,606,696,393	3,976,395,759	4,597,714,085
Non-Controlling Interests		278,542,443	621,123,911	-	-
Profit for the year		2,696,920,033	4,227,820,304	3,976,395,759	4,597,714,085
Basic/ Diluted Earnings per Share (Rs.)	14	1.18	1.88	1.94	2.40

The Accounting Policies and explanatory notes form an integral part of these Financial Statements.

Figures in brackets indicate deductions

For the year ended 31st March	Note	Group		Company	
		2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Profit for the Year		2,696,920,033	4,227,820,304	3,976,395,759	4,597,714,085
Other Comprehensive Income / (Expense)					
Items that are or may be reclassified to Profit or Loss					
Foreign currency translation differences of foreign operations		(24,863,070)	(162,073,439)	-	-
Items that will not be reclassified to Profit or Loss					
Defined Benefit Plan Actuarial Gains / (Losses)	30.3	(16,956,848)	3,799,015	(3,010,363)	1,290,049
Deferred Tax on Actuarial (Gains) / Losses	13.2	5,087,054	(916,910)	903,109	(387,015)
Share of other comprehensive Expense from equity accounted investees (net of tax)	22.2	-	-	-	-
Other Comprehensive Income / (Expense) for the year		(36,732,864)	(159,191,334)	(2,107,254)	903,034
Total Comprehensive Income for the year		2,660,187,169	4,068,628,970	3,974,288,505	4,598,617,119
Total Comprehensive Income attributable to:					
Owners of the Equity Holders of the Parent Company		2,347,226,084	3,513,180,280	3,974,288,505	4,598,617,119
Non-controlling interests		312,961,085	555,448,690	-	-
Total Comprehensive Income for the year		2,660,187,169	4,068,628,970	3,974,288,505	4,598,617,119

The Accounting Policies and explanatory notes form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF FINANCIAL POSITION

As at 31st March,		Group		Company	
	Note	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
ASSETS					
Cash and Cash Equivalents	15.1	1,328,430,053	561,190,530	4,556,541	5,629,523
Financial Assets Measured at FVTPL	16	92,021,832,893	103,816,703,137	4,616,612,953	845,794,332
Financial Assets Measured at FVOCI	17	-	-	2,860,000,000	325,000,000
Financial Assets Measured at Amortised Cost	18	4,466,527,955	3,406,286,250	-	2,535,206,833
Trade and Other Receivables	19	5,196,864,820	3,529,198,751	68,812,427	60,920,481
Amounts Due from Related Entities	20	-	-	186,043,327	74,535,641
Investment in Subsidiaries	21	-	-	1,897,304,850	1,897,304,850
Investment in Associate	22	276,264,267	-	-	-
Intangible Assets	23	158,454,511	160,655,969	1,002,811	2,060,064
Right-of-use Assets	24	353,047,963	109,600,246	-	-
Property, Plant and Equipment	25	101,448,214	140,221,323	59,667	186,681
Deferred Tax Assets	13.7	38,242,540	47,467,193	4,751,809	2,708,355
Income Tax Receivable	13.3	-	-	-	9,656,037
Total Assets		103,941,113,216	111,771,323,399	9,639,144,385	5,759,002,797
EQUITY AND LIABILITIES					
Liabilities					
Bank Overdrafts	15.2	639,473,169	402,067,475	91,981,774	57,392,533
Financial Liabilities Measured at Amortised Cost	26	77,230,542,278	85,982,586,274	500,150,685	125,315,308
Trade and Other Payables	27	2,616,360,860	2,337,251,245	19,594,987	71,515,348
Income Tax Payable	13.3	946,065,617	2,164,313,288	38,734,390	-
Lease Liability	29	309,065,347	118,763,535	-	-
Retirement Benefit Obligations	30	179,898,646	171,840,395	16,412,071	9,748,290
Total Liabilities		81,921,405,917	91,176,822,212	666,873,907	263,971,479
Equity					
Stated Capital	31	4,107,798,096	2,532,798,096	4,107,798,096	2,532,798,096
Special Risk Reserve	32.1	3,039,840,322	2,839,074,701	-	-
Fair Value Reserve	32.2	-	-	-	-
Retained Earnings		12,991,658,517	12,857,414,950	4,864,472,382	2,962,233,222
Foreign Currency Translation Reserve	32.3	(223,530,930)	(163,698,481)	-	-
Equity attributable to the Equity Holders of the Parent Company		19,915,766,005	18,065,589,266	8,972,270,478	5,495,031,318
Non-controlling interests	21.4	2,103,941,294	2,528,911,921	-	-
Total Equity		22,019,707,299	20,594,501,187	8,972,270,478	5,495,031,318
Total Liabilities and Equity		103,941,113,216	111,771,323,399	9,639,144,385	5,759,002,797

Accounting Policies and Notes form an integral part of these Financial Statements.

I certify that these Financial statements have been prepared in accordance with the requirements of the Companies Act No. 07 of 2007.



Chief Financial Officer

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved and signed for and on behalf of the Directors of Capital Alliance Holdings PLC.



Director



Director

31st August 2026
Colombo

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March,	Attributable to Equity Holders of the Parent Company							
	Stated Capital	Fair Value Reserve	Foreign currency Translation reserve	Special Risk reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
GROUP	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01st April 2024	2,532,798,096	-	(67,506,497)	2,316,818,030	11,808,827,473	16,590,937,102	2,917,351,867	19,508,288,969
Shares issued during the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year								
Profit for the year	-	-	-	-	3,606,696,393	3,606,696,393	621,123,911	4,227,820,304
Other comprehensive Income/ (Expense) for the year	-	-	(96,191,984)	-	2,675,871	(93,516,113)	(65,675,221)	(159,191,334)
Total comprehensive Income/ (expense)	-	-	(96,191,984)	-	3,609,372,264	3,513,180,280	555,448,690	4,068,628,970
Transferred To the Special Risk Reserve	-	-	-	522,256,671	(522,256,671)	-	-	-
Dividend Paid during the year	-	-	-	-	(2,042,187,568)	(2,042,187,568)	(940,229,184)	(2,982,416,752)
Transactions with equity holders								
Adjustment due to changes in holding	-	-	-	-	3,659,452	3,659,452	(3,659,452)	-
Total transactions with Equity Holders of the Parent Company	-	-	-	-	3,659,452	3,659,452	(3,659,452)	-
Balance as at 31st March 2025	2,532,798,096	-	(163,698,481)	2,839,074,701	12,857,414,950	18,065,589,266	2,528,911,921	20,594,501,187
Balance as at 01st April 2025	2,532,798,096	-	(163,698,481)	2,839,074,701	12,857,414,950	18,065,589,266	2,528,911,921	20,594,501,187
Shares issued during the year (Note 31)	1,575,000,000	-	-	-	-	1,575,000,000	-	1,575,000,000
Total comprehensive income for the year								
Profit for the year	-	-	-	-	2,418,377,590	2,418,377,590	278,542,443	2,696,920,033
Other comprehensive Income/ (Expense) for the year	-	-	(59,832,449)	-	(11,319,058)	(71,151,506)	34,418,642	(36,732,864)
Total comprehensive Income/ (Expense)	-	-	(59,832,449)	-	2,407,058,532	2,347,226,084	312,961,085	2,660,187,169
Transferred To the Special Risk Reserve	-	-	-	200,765,621	(200,765,621)	-	-	-
Dividend Paid during the year	-	-	-	-	(2,072,049,345)	(2,072,049,345)	(737,931,712)	(2,809,981,057)
Balance as at 31st March 2026	4,107,798,096	-	(223,530,930)	3,039,840,322	12,991,658,517	19,915,766,005	2,103,941,294	22,019,707,299

The Accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF CHANGES IN EQUITY

For the year ended 31st March, COMPANY	Attributable to Equity Holders of the Parent Company			
	Stated Capital Rs.	Fair Value Reserve Rs.	Retained Earnings Rs.	Total Equity Rs.
Balance as at 01st April 2024	2,532,798,096	-	405,803,671	2,938,601,767
Shares issued during the year	-	-	-	-
Total comprehensive income for the year				
Profit for the year	-	-	4,597,714,085	4,597,714,085
Other comprehensive Expenses for the year	-	-	903,034	903,034
Total Comprehensive Income	-	-	4,598,617,119	4,598,617,119
Reclassification of Fair Value Reserve	-	-		-
Dividend Paid during the year	-	-	(2,042,187,568)	(2,042,187,568)
Balance as at 31st March 2025	2,532,798,096	-	2,962,233,222	5,495,031,318
Balance as at 01st April 2025	2,532,798,096	-	2,962,233,222	5,495,031,318
Shares issued during the year (Note 31)	1,575,000,000	-	-	1,575,000,000
Total Comprehensive Income for the year				
Profit for the year	-	-	3,976,395,759	3,976,395,759
Other comprehensive Income for the year	-	-	(2,107,254)	(2,107,254)
Total Comprehensive Income	-	-	3,974,288,505	3,974,288,505
Dividend Paid during the year			(2,072,049,345)	(2,072,049,345)
Balance as at 31st March 2026	4,107,798,096	-	4,864,472,382	8,972,270,478

The Accounting policies and notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions

STATEMENT OF CASH FLOW

As at 31st March,		Group		Company	
	Note	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit / (Loss) before Income Tax Expense		4,196,492,871	6,626,435,683	4,023,645,841	4,599,394,420
Adjustments For,					
Depreciation of Property Plant & Equipment	25	55,089,777	48,860,627	127,014	1,800,328
Amortisation of Intangible Assets	23	11,831,185	9,189,060	1,057,253	1,845,433
Provision for Retiring Gratuity	30	36,287,403	33,837,323	3,653,418	3,657,063
Profit/ (Loss) on Disposals of Property Plant & Equipment	11	-	(19,526,000)	-	(19,500,000)
Disposal Loss on Sale of Subsidiary Shares	11	-	-	-	37,688,116
Share of profit equity accounted investee (net of tax)	22	18,738,133	-	-	-
Impairment of Investment in Subsidiaries	21	-	-	-	(24,041,587)
Write off of Related Party Receivables		-	-	-	120,000,000
Provision for impairment of trade receivables	19	(2,310,609)	9,922,534	(1,255,301)	2,407,211
Provision for Investment in commercial papers	18.2	-	114,395,855	-	-
Depreciation of ROU Assets	24	65,771,438	44,173,184	-	-
Finance Cost on ROU Assets	7	23,697,700	9,292,923	-	-
Net Fair Value Gains/ (Losses) from Financial Assets at FVTPL	9.2	1,773,106,003	1,518,224,262	11,702,518	(12,342,492)
Net Capital (Gain)/ Losses on sale Investment in Shares	9.1	(298,631,254)	(94,529,445)	(128,870,962)	(11,303,072)
Net Capital Gains on Investment in Unit Trusts	9.1	(341,080,776)	(246,393,574)	(168,022,197)	(63,138,307)
Net Capital Gains on Treasury Bills, and Bonds	9.1	(2,795,795,754)	(6,314,551,393)	-	-
Dividend Income	11	(60,869,741)	(42,982,748)	(3,870,212,517)	(4,758,579,236)
Interest Income	6	(9,684,051,123)	(9,336,579,641)	(16,653,359)	(4,020,806)
Interest Expense	7	6,775,893,248	5,959,501,080	32,284,918	31,576,797
Operating Profit before Changes in Operating Activities		(225,831,500)	(1,680,730,270)	(112,543,374)	(94,556,132)
(Increase) / Decrease in Securities Purchase under Resale Agreements		(515,230,606)	(1,980,835,696)	2,535,206,833	(2,535,206,833)
(Increase) / Decrease in Government securities measured at FVTPL		15,956,935,231	(38,001,380,765)	-	-
(Increase) / Decrease in Trade and Other Receivables		(1,667,763,719)	(563,934,322)	(6,636,645)	12,765,720
(Increase) / Decrease in Amounts Due from Related Entities		-	-	(111,507,686)	(59,189,450)
Increase / (Decrease) in Securities Sold Under Repurchase Agreements		(14,928,618,841)	44,276,408,362	-	-
Increase / (Decrease) in Amounts Due to Related Entities		-	-	-	(3,379,501)
Increase / (Decrease) in Trade & Other Payables		279,109,612	(1,574,943,796)	(51,920,361)	35,866,054
		(1,101,399,824)	474,583,513	2,252,598,767	(2,643,700,142)
Tax Paid	13.3	(2,799,329,180)	(5,211,939,658)	-	-
Gratuity Paid	30	(45,186,000)	(6,600,625)	-	(687,500)
Advance Paid to Right of use assets		(75,200,800)	-	-	-
Interest Paid		(5,875,457,667)	(5,494,899,122)	(32,134,233)	(31,261,489)
Lease Interest Paid	29.3	(20,739,198)	(9,292,923)	-	-
Interest income received		12,546,966,217	9,598,627,115	16,653,359	4,020,806
Net cash from/ (Used in) Operating Activities		2,629,653,548	(649,521,700)	2,237,117,893	(2,671,628,325)

STATEMENT OF CASH FLOW

As at 31st March,		Group		Company	
	Note	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
CASH FLOWS FROM INVESTING ACTIVITIES					
Realisation of shares		(2,400,769,256)	(1,991,723,124)	(711,053,761)	222,464,971
Investment in Shares		2,100,169,313	2,052,568,673	360,183,964	(211,053,761)
Investment in Commercial Papers	18.2	-	(114,395,855)	-	-
Sale Proceeds from Disposal of Property, Plant & Equipment		-	19,526,000	-	19,500,000
Acquisition of Property, Plant and Equipment	25	(36,738,108)	(54,574,535)	-	-
Acquisition of Software	23	(7,615,597)	(24,846,542)	-	(117,668)
Investment in debentures		(1,250,000,000)	-	-	-
Investment in Associate		(295,002,400)	-	-	-
Proceeds from Disposal of Subsidiary		-	-	-	33,335,683
Investment in Preference Shares		-	-	(2,535,000,000)	-
Investment in Placement with Banks		(351,023,189)	(261,190,105)	-	-
Withdrawal of Placement with Banks		1,056,012,090	-	-	-
Investment in Unit Trust Funds		(23,128,805,519)	(12,706,859,736)	(6,314,938,154)	(2,814,938,154)
Redemption of unit trust funds		18,066,827,163	12,576,395,775	3,180,179,971	2,517,882,931
Dividend Received	11	60,869,741	42,982,748	3,870,212,517	4,758,579,236
Net cash generated from/ (used in) Investing Activities		(6,186,075,763)	(462,116,701)	(2,150,415,463)	4,525,653,238
CASH FLOWS FROM FINANCING ACTIVITIES					
Investment in commercial papers	26.3	(3,009,344,257)	(5,069,414,830)	-	-
Settlement of commercial papers		3,027,380,400	5,000,000,000	-	-
Term loan obtained during the year	26.2	14,196,834,836	11,659,000,000	500,000,000	1,700,000,000
Term loan settled during the year		(8,938,731,715)	(8,262,234,603)	(125,315,308)	(1,575,000,000)
Lease rental Paid	29.3	(32,515,356)	(45,690,908)	-	-
Shares Issued		1,575,000,000	-	1,575,000,000	-
Dividend Paid		(2,809,981,057)	(2,982,416,752)	(2,072,049,345)	(2,042,187,568)
Net cash From/ (used in) Financing Activities		4,008,642,851	299,242,907	(122,364,653)	(1,917,187,568)
Net increase/ (decrease) in Cash and Cash equivalents					
		452,220,636	(812,395,494)	(35,662,223)	(63,162,655)
Cash and Cash equivalents at the beginning of the year		159,123,055	1,136,890,360	(51,763,010)	11,399,645
Effect of movement in exchange rates		77,613,193	(165,371,811)	-	-
Cash and Cash equivalents at the end of the year	15	688,956,884	159,123,055	(87,425,233)	(51,763,010)

Notes to the Financial Statements form an integral part of these Financial Statements.

Figures in brackets indicate deductions

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1. Corporate Information

Capital Alliance Holdings PLC (Formerly known as Capital Alliance Holdings Limited) is a Limited Liability Company incorporated and domiciled in Sri Lanka under the Companies Act No. 7 of 2007 and listed on the Colombo Stock Exchange. The registered office of the Company and the principal place of business is at the 6th Floor, M2M Veranda Offices, No. 34, W A D Ramanayake Mawatha, Colombo 2.

The Company was incorporated on 20th March 2003 and commenced its commercial operations on 7th April 2003.

The Consolidated Financial Statements of Capital Alliance Holdings PLC for the year ended 31st March 2026 comprises those of the Company (Parent company), and its Subsidiaries (together referred to as the 'Group').

1.2. Principal Activities

1.2.1 Principal Activities of the Company

The Principal Activities of the Company continued to be engaging in investment activities and management of subsidiaries, which remained unchanged.

1.2.2 Principal Activities of the Subsidiaries

Name of the subsidiary/ Equity accounted investee	Principal Activities
Capital Alliance PLC (Formerly Capital Alliance Limited)	The Principal Activities of the Capital Alliance PLC are dealing in Government Securities and corporate debt securities.
Capital Alliance Partners Limited	The Principal Activities of the Capital Alliance Partners Limited are dealing in Corporate Finance and fee-based activities.
Capital Alliance Securities (Private) Limited	The Principal Activity of the Capital Alliance Securities (Pvt) Limited is Stock Brokering.
Capital Alliance Investments Limited	The Principal Activities of the Capital Alliance Investments Limited are managing Unit Trust Funds and Private Wealth Management.
Finnovation (Pvt) Limited	The Principal Activity of the Finnovation (Pvt) Limited is providing IT services to Related Companies.
CAL (Pvt) Limited (Formerly FipBox (Pvt) Limited)	The Principal Activity of the CAL (Pvt) Ltd is to promote digitalised transactions for investment related products.
CAL Investment Consultancy FZ LLC (Formerly CAL Investment Holdings Limited)	The Principal Activity of the Company is investment holding and investment consultancy.
CAL Bangladesh Limited, Bangladesh	The Principal Activity of the Company is provision 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.
Fixed Income Investment I (Private) Limited	The Principal Activity of the Company is investment holding.
Fixed Income Investment II (Private) Limited	The Principal Activity of the Company is investment holding.
Capital Alliance Advisory Services (Private) Limited	Providing financial advisory and consultancy services.
Curry King (Private) Limited – Equity accounted investee	Engages in the business of preparing, manufacturing, processing, marketing, distributing and selling food and beverage products.

1.3. Parent Enterprise and Ultimate Parent Enterprise

The Company's main parent undertakings and main controlling parties are Ashthi Holdings (Private) Limited (26.88%), Jetwing Travels (Pvt) Ltd (26.44%), and Mr. W. A. T. Fernando (19.35%).

Accordingly, the Company's ultimate beneficial owners, through the ultimate

parent enterprises as well as through the individual undertakings as at 31 March 2026 are Mr. W. A. T. Fernando and Ms. N. T. M. S. Cooray.

2. BASIS OF PREPARATION

2.1. Statement of Compliance

The Financial Statements of the Company and the Group have been prepared in accordance with the Sri Lanka Accounting

Standards (the "Accounting Standards"), as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).

- » Sri Lanka Financial Reporting Standards (SLFRSs)
- » Sri Lanka Accounting Standards (LKASs)
- » Statements of Recommended Practices (SoRPs)

NOTES TO THE FINANCIAL STATEMENTS

- » Statement of Alternative Treatment (SoAT) and
- » Financial Reporting Guidelines issued by the CA Sri Lanka.

The Accounting Standards along with FAQs issued are available at the website of CA Sri Lanka www.casrilanka.com. These Financial Statements, except for information on cash flows and items measured at fair value as described in Note No. 2.6, have been prepared following the accrual basis of accounting.

The Company did not adopt any inappropriate accounting treatment, which is not in compliance with the requirements of the SLFRSs and LKASs regulations governing the preparation and presentation of the Financial Statements.

2.2 Statement of Presentation

The Financial Statements of the Company and the Group have been presented in compliance with the requirements of the Companies Act No. 07 of 2007 and provide appropriate disclosures as required by the Listing Rules of the Colombo Stock Exchange.

2.3. Date of authorisation for issue

The financial statements of the Group and the Company for the year ended 31st March 2026 were approved and authorised for issue by the Board of Directors on 31st August 2026.

2.4 Responsibility for Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company in accordance with the provisions of the Companies Act No. 07 of 2007 and Sri Lanka Accounting Standards.

2.5 Reporting date

The financial statements of all companies in the group are prepared for a common financial year, which ended on 31st March 2026.

2.6 Basis of Measurement

The Financial Statements of the Company and Group have been prepared on the historical cost basis except for the following material items in the statement of financial position:

Category	Items	Basis of measurement	Note
Assets	Financial assets at Fair Value through Profit or Loss (FVTPL)	Measured at Fair value	16
	Financial assets at Fair Value through Other Comprehensive Income (FVOCI)	Measured at Fair value	17
	Financial assets measured at amortised cost	Measured at amortised cost using effective interest method	18
Liabilities	Lease liability	Measured at amortised cost using effective interest method	29
	Retirement benefit obligation	Measured at the present value of the defined benefit obligation	30

2.7 Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates (the Functional Currency), which is the Sri Lankan Rupees.

The financial statements of the Group are presented in Sri Lankan Rupees (LKR) which is the functional currency of the Group entities other than for the companies listed below where the functional currency is either based on the country of incorporation of the respective Company or elements that could influence in determining its functional currency.

There was no change in the Company's presentation and functional currency during the year under review.

Entity	Country of Incorporation	Functional Currency
CAL Investment Consultancy FZ LLC (Formerly CAL Investment Holdings Limited)	United Arab Emirates (UAE)	UAE
CAL Bangladesh Limited	Bangladesh	BDT
CAL Securities Limited	Bangladesh	BDT
CAL Investments Limited	Bangladesh	BDT

Foreign currency transactions

All foreign exchange transactions are converted to functional currency, at the rates of exchange prevailing at the time the transactions are affected.

Monetary assets and liabilities denominated in foreign currency are retranslated to functional currency equivalents at the spot exchange rate prevailing at the reporting date.

Foreign currency transactions

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference.

Foreign Operations

Subsidiaries incorporated outside Sri Lanka are treated as foreign operations. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the rate of exchange prevailing on the reporting date.

Income and expenses of the foreign entities are translated at exchange rate approximating to the actual rate at the time of the transaction.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. On the partial disposal of a subsidiary that includes a foreign operation, the relevant proportion of such cumulative amount is re-attributed to non-controlling interest, in any other partial disposal of foreign operation, the relevant proportion is reclassified to profit or loss. Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operation, are recognised in other comprehensive income in the foreign currency translation reserve.

2.8 Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, Group assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When available, the company measures the fair value of an instrument using quoted prices in an active market for that instrument. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair values are categorised in its entirety in

the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.9 Use of Estimates and Judgments

The preparation of financial statements of the Company and the Group in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in following notes.

Critical judgments	Note
Going concern- whether there are material uncertainties that may cast significant doubt on the entities' ability to continue as going concern.	2.13
Equity accounted investee- whether the Group has significant influence over an investee	3.1.5
Consolidation- whether the Group has control over an investee	3.1.2
Classifications of financial instruments- Assessment of Business model and SPPI assessment	3.4
Impairment measurement of financial assets- Determination whether the credit risk of the financial assets significantly increased from recognition	3.5

NOTES TO THE FINANCIAL STATEMENTS

Critical accounting assumptions and estimation uncertainties	Note
Useful lifetime of the property, plant and equipment	3.2.1.4
Impairment on non-financial assets	3.5.2
Measurement of defined benefit obligation: key actuarial assumptions	3.8
Impairment measurement of financial assets: determination of inputs into the impairment measurement model, including key assumptions.	3.5
Measurement of Deferred tax assets/ liabilities	3.10.3

2.10 Comparative Information

Comparative information including quantitative, narrative, and descriptive information is disclosed in respect of the previous period in the Financial Statements to enhance the understanding of the current period's Financial Statements and to enhance the inter period comparability. The presentation and classification of the Financial Statements of the previous year are amended, where relevant for better presentation and to be comparable with those of the current year.

During the year, the presentation and classification of the Financial Statements of the previous year are amended in below areas.

- » Presentation of interest paid as an operating activity in the statement of cashflows where it was presented under financing activity in the previous year.
- » Presentation of interest income as an operating activity in the statement of cashflows where it was presented under investing activity in the previous year.

2.11 Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial. Notes to the Financial Statements are presented in a systematic manner which ensures the understandability and comparability of Financial Statements of the Group and the Company. Understandability of the Financial Statements is not compromised by obscuring material information with

immaterial information or by aggregating material items that have different natures or functions.

2.12 Rounding

The amounts in the Financial Statements have been rounded-off to the nearest rupees, except where otherwise indicated as permitted by the Sri Lanka Accounting Standard - LKAS 1 on 'Presentation of Financial Statements'.

2.13 Going Concern

The financial statements of the Company and Group for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern. In determining the basis of preparing the financial statements for the year ended 31 March 2026, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Group companies and the appropriateness of the use of the going concern basis. In management's view, the Group will have sufficient resources to continue for a future period. Management concluded that the range of possible outcomes considered at arriving at this judgment does not give rise to material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Consolidated Financial Statements of the Group continued to be prepared on a going concern basis.

3. MATERIAL ACCOUNTING POLICIES

The Group and the Company has consistently applied the following accounting policies to all periods presented in these Consolidated Financial Statements.

3.1 Basis of Consolidation

The Group's financial statements comprise of the financial statements of the Company its subsidiaries prepared in terms of Sri Lanka Accounting standard (SLFRS -10) - Consolidated Financial Statements and share of profit and loss and net assets of equity accounted investees prepared in terms of Sri Lanka Accounting standard (LKAS 28) - Investments in Associates and Joint Ventures.

3.1.1. Business Combination

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

3.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Adjustments required to the accounting policies of Subsidiaries have been changed wherever necessary to align them with the policies adopted by the Group. The cost of an acquisition is measured at the fair value of the consideration, including contingent consideration. The acquired identifiable assets, liabilities and contingent liabilities are measured at their fair value at the

date of acquisition. Subsequent to the acquisition, the Company continues to recognise the investment in the subsidiary at cost.

3.1.3. Non-Controlling Interest

The proportion of the profits or losses after taxation applicable to outside shareholders of subsidiary companies is included under the heading "Non – controlling interest" in the Consolidated Income Statement. Losses applicable to the non-controlling interests in a subsidiary is allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

The interest of the minority shareholders in the net assets employed of these companies are reflected under the heading "Non – controlling interest" in the Consolidated Statement of Financial Position. Acquisitions of non-controlling interests are accounted for as transactions with equity holders in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

3.1.4. Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.5. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint venture

are accounted for using the equity method in the Consolidated financial statement. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

3.1.6. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2. Assets And The Base of Their Valuation

Assets classified as current assets in the Statement of Financial Position are cash and those which are expected to be realised in cash during the normal operating cycle of the Group's business or within one year from the date of the Statement of Financial Position whichever is shorter. Assets other than current assets are those which the Group intends to hold beyond a period of one year from the reporting date.

3.2.1. Plant & Equipment

3.2.1.1. Recognition and Measurement

Items of Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of Plant & Equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing

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the asset to the working condition for its intended use. All items of property, plant and equipment are recognised initially at cost. Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal of with the carrying amount of property, plant and equipment and are recognised net within other income in income statement.

3.2.1.2. Subsequent Costs

The cost of replacing part of an item of Plant & Equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised in accordance with the derecognition policy given below. The costs of the day-to-day Plant & Equipment are recognised in profit or loss as incurred

3.2.1.3. Derecognition

The carrying amount of an item of Plant & Equipment is derecognised on disposal, or when no future economic benefits are expected from its use. Gains or losses on derecognition are recognised in the Statement of Profit or Loss and other Comprehensive income and gains are not classified as revenue.

3.2.1.4. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost less its residual value. Depreciation is recognised in the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of Equipment.

The estimated useful lives are as follows:

Asset Category	Useful Life	Depreciation Rate (%)
Furniture and Fittings	5 years	20%
Computer Hardware	4 years	25%
Office Equipment	3- 4 years	25%-33.33%
Motor Vehicle	2- 5 years	20%- 50%
Communication Devices	1-4 years	25% 100%

Items of Equipment are depreciated from the date they are available for use or, in respect of self-constructed assets, from the date that the asset is completed and ready for use.

3.2.2. Intangible Assets

An Intangible Assets is recognised if it is probable that economic benefits are attributable to the assets will flow to the entity and cost of the assets can be measured reliably and carried at cost less accumulated amortisation and accumulated impairment losses. Separately acquired intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

3.2.2.1. Computer Software

All computer software cost incurred, which are not internally related to associate hardware, which can be clearly identified, reliably measured and its probable that they will lead to future economic benefits, are included in the Statement of Financial Position under the category of intangible assets and carried at cost less accumulated amortisation and any accumulated impairment losses.

Asset Category	Useful Life	Rate (%)
Computer Software	4 years	25%

3.2.2.2. Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition over the fair value of net assets acquired. Goodwill is measured at cost less accumulated impairment losses. Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets, the policy on measurement of goodwill is at initial recognition. Negative goodwill arising on an acquisition represents the excess of the fair value of the net assets acquired over the cost of acquisition. Negative goodwill is recognised immediately in the Statement of Comprehensive Income.

3.2.2.3 Other intangibles

Other intangible assets that are acquired by the Company and have finite useful lives are measured as cost less accumulated impairment losses.

3.2.3. Right of use Assets (ROU)

Recognition

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16 – Leases.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.2.3.1. Right-of-Use (ROU) assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Group applies the cost model for the subsequent measurement of the ROU asset and accordingly, the right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Depreciation expenses

Depreciation expense has been charged to statement of profit or loss under administration and general expenses.

3.2.4. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in SLFRS 16.

3.2.4.1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- » Fixed payments, including in-substance fixed payments;
- » Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- » Amounts expected to be payable under a residual value guarantee; and
- » The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period
- » The Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

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When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'right-of-use assets and lease liabilities in 'lease liability' in the Statement of Financial Position.

Lease modifications

The Group shall account for a lease modification as a separate lease if both:

- a. The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- b. The consideration for the lease increases by an amount

commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract. For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group shall:

- a) Allocate the consideration in the modified contract
- b) Determine the lease term of the modified lease
- c) Remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the Group shall account for the remeasurement of the lease liability by:

- a) Decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The lessee shall recognise in profit or loss any gain or loss relating to the partial or full termination of the lease.
- b) Making a corresponding adjustment to the right-of-use asset for all other lease modifications.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.3. Cash And Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. For the purpose of Statement of Cash Flows, cash and cash equivalents consist of cash in hand and deposits held in banks net of outstanding bank overdrafts. Investments with short term maturities are also treated as cash and cash equivalents.

3.4. Financial Instruments

3.4.1. Financial Assets

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. This includes purchases or sale of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing

component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at:

amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; fair value through other comprehensive income (FVOCI) - equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- » It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- » Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- » A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
 - » It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - » Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and

interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- » the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining
- » a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- » how the performance of the portfolio is evaluated and reported to the Company's management;
- » the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- » how managers of the business are compensated - e.g. whether compensation is based on the fair

value of the assets managed or the contractual cash flows collected; and

- » the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- » contingent events that would change the amount or timing of cash flows;
- » terms that may adjust the contractual coupon rate, including variable-rate features;
- » prepayment and extension features; and
- » terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment

amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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3.4.2. Financial Liability

Initial Recognition and Measurement

On initial recognition, the Group classifies financial liabilities, other than financial guarantees and loan commitments, into one of the following categories:

- » Financial liabilities at amortised cost; and
- » Financial liabilities at fair value through profit or loss

Classification and Subsequent Measurement of Financial Liabilities

The subsequent measurement of financial liabilities depends on their classification.

Financial Liabilities at Amortised Cost

Financial Liabilities issued by the Group that are not designated at fair value through profit or loss are recognised initially at fair value plus any directly attributable transaction costs, by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method. The EIR amortisation is included in 'Interest expense' in the Statement of Profit or Loss and Other Comprehensive Income. Gains and losses too are recognised in the Statement of Profit or Loss and Other Comprehensive Income. When the liabilities are derecognised as well as through the EIR amortisation process.

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include derivative liabilities held for risk management purposes.

3.4.3. Derecognition

(a) Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in

which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

(b) Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.4.4. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.5. Impairment

3.5.1. Non-derivative Financial Assets

Financial instruments and contract assets Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and

qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Impairment on cash and cash equivalents and other financial assets has been measured on a 12 months expected loss and reflects the short maturities of the exposure. The Group considers these assets has lower credit risk based on the external credit ratings of the counterparties.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- » Significant financial difficulty of the borrower or issuer;
- » A breach of contract such as a default or being more than 90 days past due;
- » The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- » It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- » The disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

3.5.2. Non-financial assets

The carrying amount of the Group's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of

other assets or CGUs. An impairment loss is recognised if the carrying amount of an asset or cash generating unit

(CGU) exceeds its recoverable amount. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in Profit or Loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6. Provisions

Provisions are recognised when the Group has a binding present obligation. This may be either legal because it derives from a contract, legislation or other operation of law, or constructive because the Group created valid expectations on the part of third parties by accepting certain responsibilities. To record such an obligation, it must be probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation. The amount recognised as

a provision and the indicated time range of the outflow of economic benefits are the best estimate (most probable outcome) of the expenditure required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. Non-current provisions are discounted if the impact is material.

3.7. Contingent Liabilities And Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company and the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company and the Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company and the Group. The Company and the Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

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3.8. Retirement Benefit Costs

(i) *Defined Benefit Plan – Retirement Gratuity*

A defined Benefit Plan is a post-employment benefit plan other than a Defined Contribution Plan. The liability recognised in the Statement of Financial Position in respect of a Defined Benefit Plan is the present value of the defined benefit obligation at the Statement of Financial Position date. The defined benefit obligation is calculated annually by independent actuaries, using the projected unit credit method, as recommended by LKAS 19, “Employee Benefits”.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates that apply to the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability. The assumptions based on which the results of the actuarial valuation were determined are included in the Note 30 to the Financial Statements. This liability is not externally funded, and the item is grouped under Non- Current Liabilities in the Statement of Financial Position.

The qualifying remuneration of all permanent employees is considered in the calculation of the defined benefit obligation. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service. Liabilities are computed on the basis of half a month's salary for each year of completed service. The Company's obligations under the said Act is determined based on an actuarial valuation using the projected unit credit method carried out by a professional actuary.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying

the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability, taking into account any changes in the defined benefit liability during the period as a result of benefit payments. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(ii) *Defined Contribution Plan*

- » Employees' Provident Fund & Employee's Trust Fund

All employees who are eligible for Employees' Provident Fund Contribution and Employees' Trust Fund Contribution are covered by relevant contribution funds in line with respective Statutes and Regulations.

Contributions to Provident Fund and Trust Fund covering the employees are recognised as an expense in the Statement of Comprehensive Income.

(iii) *Share-based payment transactions*

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards

with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iv) *Termination benefits*

Termination benefits are recognised as an expense when the Company and the Group is demonstrably committed, without a realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company and the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(v) *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service rendered by the employee and the obligation can be measured reliably.

3.9. Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), stated capital in relation to a Group means the total of all amounts received by the Group or due and payable to the Group in respect of the issue of shares and in respect of call-in arrears.

3.10. Statement Of Profit Or Loss And Other Comprehensive Income

3.10.1. Revenue

3.10.1.1. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and the associated costs incurred or to be incurred can be reliably measured.

3.10.1.1.1. Interest Income

Interest income is recognised on an accrual basis for the FVTPL instruments.

Group uses the Effective Interest Rate (EIR) method for recognising the interest income and interest expenses of financial assets and financial liabilities that are measured at amortised cost under SLFRS 09. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability.

Interest income recognised using the EIR and other interest income are separately presented in the statement of Profit/ (Loss) and other comprehensive income.

3.10.1.1.2. Net gains from trading

Income from capital gains on sale of government debt securities and other security dealings is recognised at the point of trading.

3.10.1.1.3. Fee Income

Type of Product/ Service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition
Corporate Finance Fee Income	Corporate Finance fee is calculated based on the terms of the agreement.	Revenue is recognised point in time as the services are provided in accordance with the terms of the contract.
Management fee	Management fee is calculated based on the net assets under management and is attributed to the service provided during the year.	Revenue is recognised over time as the services are provided in accordance with the terms of the asset management contract.

3.10.1.1.4. Dividend income

Dividend income is recognised when the Group's right to receive the dividend is established. Dividend income is considered as an investing activity for the Cash flow purposes.

3.10.1.1.5. Brokering Commission

Brokering commission is recognised on an accrual basis.

3.10.1.1.6. Other Income

Other income is recognised on an accrual basis.

3.10.2. Expenditure Recognition

3.10.2.1. Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the plant and equipment in a state of efficiency has been charged to the Statement of Profit/ (Loss) and Other Comprehensive Income in arriving at the profit/(loss) for the year. Provision has also been made for impairment of financial assets, slow moving stocks, all known liabilities and depreciation on plant and equipment.

3.10.3. Taxation

Income tax expense comprises both current and deferred tax. Income tax expense is recognised in income statement except to the extent that it relates to items recognised directly in equity, in which case is recognised in the statement of comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.10.3.1. Current Taxes

Current Income tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The provision for income tax on Sri Lankan operation is based on the elements of income and expenditures reported in the Financial Statements and computed in accordance with the provisions of the Inland Revenue Act.

NOTES TO THE FINANCIAL STATEMENTS

3.10.3.2. *Deferred Taxation*

Deferred taxation is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and carry forward of unused tax losses / credits can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised based on the approved budgets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date. Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax assets and liabilities recognised by individual companies within the Group are disclosed separately as assets and liabilities in the Group statement of financial position and are not offset against each other.

3.10.3.3. *Tax exposures*

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events.

New information may become available that causes the Company and the Group to change its judgment regarding the

adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

3.10.4. **Finance cost**

Finance cost comprises interest expenses on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate method.

3.11. **Related Party Transactions**

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not. The relevant details are disclosed in the respective notes to the Financial Statements.

3.12. **Statement Of Cash Flows**

Both Interest received and interest paid are classified as operating cash flows, Dividend received is classified as investing activity while dividend paid is classified as financing cash flows for the purpose of presentation of Statement of Cash Flows which has been prepared using the 'Indirect Method'.

3.13. **Earning Per Share**

The Group presents Basic and Diluted Earnings Per Share (EPS) and for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.14. **Dividend On Ordinary Shares**

Dividend on Ordinary Shares are recognised as a liability and deducted from equity when they are approved by

the Company's Directors and for the final dividend once the shareholders' approval is received.

3.15. **Capital Commitment And Contingent Liabilities**

Capital commitments and contingencies which exist as at the Statement of Financial Position date are disclosed in the respective notes to the Financial Statement.

3.16. **Events After The Reporting Period**

Events after the reporting period are those events favourable and unfavourable that occurs between the end of the reporting period and the date when the financial statements are authorised for issue.

The materiality of the events occurring after the reporting period is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

All material adjusting events after the reporting period have been considered and where appropriate adjustments to or disclosures have been made in the respective notes to the financial statements.

3.17 **Operating Segments**

For management purposes, the Group is structured into operating segments based on the nature of its products and services. Each segment is separately managed by segment heads who are responsible for performance and resource allocation. Segment performance is reviewed regularly by the Group's senior management.

Reportable segments are identified based on quantitative thresholds and aggregation criteria in accordance with SLFRS 8. Disclosures include:

- » The basis of segmentation;
- » The types of products and services from which each segment derives revenue;

- » Segment performance measures and reconciliation to Group totals; and
- » Information about major products, where applicable.

4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT EFFECTIVE AS AT REPORTING DATE

A number of new standards are effective for annual periods beginning on or after 1st January 2026 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these Financial Statements.

SLFRS 18 Presentation and disclosure in financial statement

SLFRS 18 is a new accounting standard for presentation and disclosure in Financial Statements with effect from 1 January 2027. SLFRS 18 will replace the Sri Lanka Accounting Standard – LKAS 1 on “Presentation of Financial Statements” and applies to the Company effective from 1 January 2027. The new accounting standard introduces the following key new requirements. Entities are required to classify all income and expenses into five categories in the Statement of Profit or Loss, namely operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit sub totals. Entities' net profit will not change. Management – defined Performance Measures (MPMs) are disclosed in a single note in the Financial Statements. Enhanced guidance is provided on how to Company information in the Financial Statements.

In addition, all entities are required to use the operating profit subtotals as the starting point for the Statement of Cashflows when presenting operating cashflows under indirect method. The Company is still in the process of assessing the impact of the new accounting standards, particularly with respect to the structure of the Company's Income Statement, the Statement of Cashflows and the additional disclosures required for MPMs. The Company and the Group

is also assessing the impact on how information is combined in the Financial Statements including items currently labelled as ‘other’.

Sri Lanka Accounting Standard – SLFRS 19 on “Subsidiaries without Public Accountability” (SLFRS 19)

SLFRS 19 is a new accounting standard for subsidiaries to apply the recognition, measurement, and presentation requirements of full SLFRS Standards while applying a reduced set of disclosure requirements in Financial Statements with effect from 1 January 2027. The Group does not expect this will result in a material impact on its Consolidated Financial Statements. However, this may have an impact on the separate Financial Statements of the subsidiaries of the Group as appropriate.

Amendments to Sri Lanka Accounting Standards relating to SLFRS 9 – Financial Instruments and SLFRS 7 – Financial Instruments: Disclosures

The amendments apply for annual reporting periods beginning on or after 1 January 2026. These changes are not expected to have a significant impact on the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

5. TOTAL INCOME

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Interest Income (Note 6)	9,684,051,123	9,336,579,641	16,653,359	4,020,806
Fee Based Income (Note 8)	3,525,947,893	2,533,527,037	52,843,832	41,480,340
Net Gains/ (Losses) From Trading (Note 9.1)	3,435,507,784	6,655,474,412	296,893,159	74,441,379
Net Gain/(Loss) From Remeasurement of Financial Assets at FVTPL (Note 9.2)	(1,773,106,003)	(1,518,224,262)	(11,702,518)	12,342,492
Other Income (Note 11)	106,884,636	69,140,025	3,871,861,315	4,742,167,100
	14,979,285,433	17,076,496,853	4,226,549,147	4,874,452,117

6. INTEREST INCOME

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Financial Assets measured at FVTPL				
Interest on Treasury Bills	1,241,214,741	1,424,607,252	-	-
Interest on Treasury Bonds	7,620,214,099	7,244,067,752	-	-
	8,861,428,840	8,668,675,004	-	-
Interest income on effective interest method on Financial Assets measured at Amortised Cost				
Interest on Securities Purchased under Resale Agreements	365,595,837	378,523,737	551,708	2,206,833
Interest on Related Party Loans	-	-	2,213,562	1,813,973
Interest on Commercial Papers	-	-	10,429,874	-
Interest on Debentures	26,769,589	-	-	-
Interest on Deposits with Banks	50,651,339	23,742,047	-	-
Interest Income on Loans to Corporates	5,346,264	-	3,458,215	-
Interest income on credit extended to clients and early settlements	374,259,254	265,638,853	-	-
	822,622,283	667,904,637	16,653,359	4,020,806
	9,684,051,123	9,336,579,641	16,653,359	4,020,806

7. INTEREST EXPENSE

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Interest on Securities Sold Under Repurchase Agreements	6,199,487,855	5,607,711,500	-	-
Interest expense from Bank loans	480,396,771	247,460,252	28,067,048	28,688,296
Interest on Commercial Papers	51,745,925	71,916,495	-	-
Finance Cost- Lease	20,739,198	9,292,923	-	-
Bank Charges - Overdrafts	44,262,697	32,412,833	4,217,870	2,888,501
	6,796,632,446	5,968,794,003	32,284,918	31,576,797

8. FEE BASED INCOME

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Placement Fee Income	372,914,685	194,160,542	50,255,000	4,363,050
Management Fee	1,693,762,025	1,387,361,816	-	-
Brokerage Fee	1,369,779,015	946,589,500	-	-
Consultancy & Advisory Fee	89,492,168	5,415,179	2,588,832	37,117,290
	3,525,947,893	2,533,527,037	52,843,832	41,480,340

9. GAINS AND LOSSES ARISING FROM FINANCIAL ASSETS**9.1 Net Gains/ (Losses) From Trading**

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Net Capital Gain on Treasury Bills	98,478,329	38,152,888	-	-
Net Capital Gain on Treasury Bonds	2,697,317,425	6,276,398,505	-	-
Net Capital Gain on Investment in Unit Trusts (Note 16.2.1)	341,080,776	246,393,574	168,022,197	63,138,307
Net Capital Gain/(Loss) on sale Investment in Shares (Note 16.3.1)	298,631,254	94,529,445	128,870,962	11,303,072
	3,435,507,784	6,655,474,412	296,893,159	74,441,379

9.2 Net Gain/ (Loss) From Remeasurement of Financial Assets at FVTPL

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Remeasurement Gain/ (Loss) on Government Securities	(1,838,431,007)	(1,681,296,768)	-	-
Remeasurement Gain/ (Loss) on Shares (Note 16.3.1)	58,131,730	119,924,032	(18,096,520)	(10,568,120)
Remeasurement Gain on Unit Trusts (Note 16.2.1)	7,193,274	43,148,474	6,394,003	22,910,612
	(1,773,106,003)	(1,518,224,262)	(11,702,518)	12,342,492

10. DIRECT EXPENSES

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Brokerage Commission	19,394,281	42,681,085	-	-
Other Direct Expenses	204,839,151	15,778,349	-	-
	224,233,432	58,459,434	-	-

NOTES TO THE FINANCIAL STATEMENTS

11. OTHER INCOME

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Dividend Income	60,869,741	42,982,748	3,870,212,517	4,758,579,236
Interest income - Staff Loans	432,895	948,624	378,246	744,623
Sundry Income	45,582,000	5,682,653	1,270,552	1,031,357
Disposal Loss on Sale of Subsidiaries	-	-	-	(37,688,116)
Gain/ (Loss) on disposal of Property Plant and Equipment	-	19,526,000	-	19,500,000
	106,884,636	69,140,025	3,871,861,315	4,742,167,100

12. OPERATING PROFIT

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Is stated after charging all expenses including the following:				
Directors' Fees	46,900,550	16,650,000	27,050,550	12,050,000
Auditor's Remuneration - Statutory Audit (KPMG)	8,498,432	7,136,000	1,324,095	1,154,000
¹ Statutory Audit (Other auditors)	1,909,416	1,986,364	-	-
¹ Non audit services	223,826	4,882,325	-	719,150
Consultancy Fee	58,446,008	7,934,336	25,814,169	406,588
Write off of Trade and Other Receivables	-	10,721,719	-	-
Provision for Impairment on Trade Receivables	(2,310,609)	9,922,534	(1,255,301)	2,407,211
Related Party Written off	-	-	-	120,000,000
Donations	100,000	26,250,000	-	1,000,000
Reversal of Impairment of Investment in Subsidiaries	-	-	-	24,041,587
Depreciation and Amortisation include;				
Depreciation on Property, Plant, and Equipment	55,089,777	48,860,627	127,013	1,800,328
Amortisations of Intangible Assets	11,831,185	9,189,060	1,057,253	1,845,433
Depreciation of Right-of-use Asset	65,771,438	44,173,184	-	-
	132,692,400	102,222,871	1,184,266	3,645,761
Staff Cost includes;				
Salaries & Other benefits	1,598,391,084	1,895,011,574	92,560,201	56,488,541
Defined Benefit Plan - Gratuity (Note 30.2)	36,287,403	33,837,323	3,653,418	3,657,063
Defined Contribution Plans - EPF	76,951,573	69,493,307	9,216,000	5,355,840
- ETF	19,237,894	17,345,482	2,304,000	1,338,960
	1,730,867,954	2,015,687,686	107,733,619	66,840,404

13. INCOME TAX EXPENSE/ (REVERSAL)**13.1. Income tax recognised in Profit or Loss**

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Current Taxation (Note 13.4)	1,484,359,699	2,395,266,020	48,390,427	-
Income tax expenses recognised in respect of previous years	(57,288)	7,552,892	-	-
Over provision of income tax for the previous year	725,000	(499,019)	-	-
	1,485,027,411	2,402,319,893	48,390,427	-
Deferred Tax Expense/ (Reversal)				
Amount charged/ (reversed) during the year - Profit and Loss (Note 13.7.2)	14,545,427	(3,704,514)	(1,140,345)	1,680,335
	14,545,427	(3,704,514)	(1,140,345)	1,680,335
Total Income Tax Recognised/ (Reversed) in the Statement of Profit or Loss	1,499,572,838	2,398,615,379	47,250,082	1,680,335

13.2 Amount recognised in the Statement of Other Comprehensive Income

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Actuarial gain/ (loss) arising from retirement benefit obligations	(16,956,848)	3,799,015	(3,010,363)	1,290,049
Deferred tax on actuarial gains/(loss)	5,087,054	(916,910)	903,109	(387,015)
	(11,869,794)	2,882,105	(2,107,254)	903,034

13.3 Income tax payable/ (receivable)

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance at the beginning of the year	2,164,313,288	4,992,449,148	(9,656,037)	(9,656,037)
Income tax provision for the year	1,484,359,699	2,395,266,020	48,390,427	-
Over provision of income tax for the previous year	667,712	(499,019)	-	-
Income tax payments made during the year	(2,799,329,180)	(5,211,939,658)	-	-
Withholding and other credits	(279,100)	(677,362)	-	-
Exchange difference	96,333,199	(10,285,841)	-	-
Balance at the end of the year	946,065,617	2,164,313,288	38,734,390	(9,656,037)

NOTES TO THE FINANCIAL STATEMENTS

13.4 Reconciliation between accounting profit/ (loss) and taxable profit/ (loss)

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Accounting profit / (loss) before income tax expense	4,196,492,871	6,626,435,683	4,023,645,841	4,599,394,420
Consolidation adjustment	4,532,754,432	6,474,858,929	-	-
	8,729,247,303	13,101,294,612	4,023,645,841	4,599,394,420
Other sources of income & exempt income	(4,383,002,763)	(5,272,816,782)	(3,980,986,958)	(4,778,814,188)
Aggregate disallowable items	536,405,356	744,953,679	128,520,255	264,853,699
Aggregate allowable items	(159,551,544)	(50,978,451)	(948,279)	(3,487,026)
Adjustment on tax losses incurred during the year	-	57,102,976	-	-
Taxable income from business	4,723,098,351	8,579,556,034	170,230,858	81,946,905
Other sources of income	89,107,177	216,350,342	-	-
Total statutory income	4,812,205,528	8,795,906,376	170,230,858	81,946,905
Less : Tax losses set-off for the taxable profit	(42,463,185)	(126,578,616)	(8,929,436)	(81,946,905)
Taxable income for the year	4,769,742,343	8,669,327,760	161,301,422	-
Current tax at 27.5%	15,360,301	15,809,578	-	-
Current tax at 30%	1,462,570,108	2,370,210,884	48,390,427	-
Current tax at 37.5%	6,429,289	9,245,558	-	-
Current tax charged to Statement of Profit or Loss	1,484,359,699	2,395,266,020	48,390,427	-

13.5 Accumulated tax losses

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance at the beginning of the year	68,347,016	163,720,865	4,626,432	86,573,337
Losses incurred during the year	-	57,102,976	-	-
Tax losses expired due to amalgamation	-	(23,633,392)	-	-
Adjustment with respect of previous year	4,303,004	(2,264,817)	4,303,004	-
Losses utilised during the year	(42,463,185)	(126,578,616)	(8,929,436)	(81,946,905)
Balance at the end of the year	30,186,834	68,347,016	-	4,626,432

Effective tax rate reconciliation

For the year ended 31st March,	Group				Company			
	%	2026 Rs.	%	2025 Rs.	%	2026 Rs.	%	2025 Rs.
Profit Before tax		4,196,492,871		6,626,435,683		4,023,645,841		4,599,394,420
Tax expenses on applicable	30%	1,258,947,861	30%	1,987,930,705	30%	1,207,093,752	30%	1,379,818,326
Effect of tax rates in foreign jurisdictions	1%	21,789,590	0%	25,055,136	0%	-	0%	
Tax on exempted income	-104%	(4,383,002,763)	-80%	(5,272,816,782)	-99%	(3,980,986,958)	-104%	(4,778,814,188)
Aggregate disallowed items	13%	536,405,356	11%	744,953,679	3%	128,520,255	6%	264,853,699
Aggregate allowable Expenses	-4%	(159,551,544)	-1%	(50,978,451)	0%	(948,279)	0%	(3,487,026)
Adjustment on tax losses incurred during the year		-	1%	57,102,976	0%	-	0%	-
Current income tax expenses	35%	1,484,359,699	36%	2,395,266,020	1%	48,390,427	0%	-
Income tax under /Over provision for the previous year (Note 13.3)	0%	667,712	0%	(499,019)	0%	-	0%	-
Deferred tax charge / (reversal) for the year (Note 13.7.2)	0%	14,545,427	0%	(3,704,514)	0%	(1,140,345)	0%	1,680,335
Total tax expense	36%	1,499,572,838	36%	2,398,615,379	1%	47,250,082	0%	1,680,335

13.6 Applicable income tax rates as per the Department of Inland Revenue

The income tax provision of Capital Alliance Holdings PLC, its subsidiaries which are resident in Sri Lanka has been calculated in accordance with the Inland Revenue Act No. 24 of 2017 and its amendments thereto.

The Company is liable to pay income tax at a rate of 30% in accordance with the Inland Revenue Act No. 24 of 2017 and its subsequent amendments for the year ended 31st March 2026 (2025: 30%).

Sri Lankan operations

The business profits and income of Capital Alliance PLC, Capital Alliance Securities (Pvt) Ltd, Capital Alliance Partners Limited, Capital Alliance Investments Limited, Capital Alliance Holdings PLC, and CAL (Private) Ltd, Fixed Income Investment I (Private) Limited and Fixed Income Investment II (Private) Limited arising from their primary operation activities and Other Income of Finnovation (Private) Limited are liable for income tax at standard rate of 30% for the year ended 31st March 2026 (2025: 30%).

Overseas operations

As per the Tax regulations in the United Arab Emirates, Corporate taxation in Dubai is limited only to banks and oil companies and Other types of companies in Dubai, which includes CAL Investment Consultancy FZ LLC, are not subject to the corporate tax.

CAL Bangladesh Limited, CAL Securities Limited and CAL Investments Limited are taxed at 27.5% and 37.5% during the financial year (2025: 27.5% and 37.5%).

Applicable Deferred Tax Rates

Deferred tax for the year has been computed based on the substantively enacted rates as of the reporting date. Accordingly, the enacted rates specified in the Inland Revenue (Amendment) Act No. 45 of 2022 and its amendments thereto have been used.

Deferred Tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences associated with the Group for which a deferred tax (Liability)/ Asset has been recognised. Deferred tax has been computed using the applicable effective tax rates, which are 30% for Sri Lankan companies and 27.5% and 37.5% for entities operating in Bangladesh. For the year 2026, the Group applied tax rates of 27.5%, 30%, and 37.5%, as relevant to each entity.

NOTES TO THE FINANCIAL STATEMENTS

13.7 Deferred Tax

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Deferred Tax Assets (13.7.3)	38,242,540	47,467,193	4,751,809	2,708,355
Net Deferred Tax Assets	38,242,540	47,467,193	4,751,809	2,708,355

13.7.1 Net Deferred Tax Asset Movement During The Year

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at the beginning of the year	47,467,193	45,442,145	2,708,355	4,775,705
Acquisition during the year	-	-	-	-
Deferred tax recognised during the year	(19,632,482)	2,787,604	2,043,454	(2,067,350)
Net effect of movement of exchange rates	10,407,829	(762,556)	-	-
Balance at the end of the year	38,242,540	47,467,193	4,751,809	2,708,355

13.7.2 Amount charged/ (reversed) during the year

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Amount reversed during the year - Profit and Loss	14,545,427	(3,704,514)	(1,140,345)	1,680,335
Amount recognised/ (reversed) during the year - Other Comprehensive Income/ (Expense)	5,087,054	(916,910)	(903,109)	387,015
Total amount reversed during the year	19,632,482	(2,787,604)	(2,043,454)	2,067,350

13.7.3 GROUP DEFERRED TAX ASSET/ (LIABILITY)

Group	2026		2025	
	Temporary difference Rs.	Tax Effect Rs.	Temporary difference Rs.	Tax Effect Rs.
On equipment	(1,217,805)	(385,502)	(9,640,269)	(2,961,011)
On intangible assets	(27,689,355)	(8,306,807)	(26,021,623)	(7,806,487)
On right-of-use Asset	(353,047,963)	(96,088,918)	(60,155,936)	(19,369,312)
On lease creditor on right-of-use Asset	309,065,347	75,802,165	70,456,666	22,545,646
On retirement benefit obligation	179,898,646	61,796,644	171,840,395	49,316,806
On provision for impairment of trade and other receivables	18,083,193	5,424,958	19,138,502	5,741,552
On carry forward tax losses	30,186,834	-	68,347,015.96	-
	155,278,897	38,242,540	233,964,752	47,467,193

13.7.3.1 Unrecognised deferred tax assets

The Deferred Tax assets have been recognised in the Financial Statements to the extent of forecasted profit. Capital Alliance Partners (Private) Limited and Fixed Income Investment I (Pvt) Ltd have not recognised the deferred tax assets on following accumulated tax losses since it is not probable that future taxable profits will be available against which the Companies can utilise the benefit therefrom.

Group	2026		2025	
	Temporary difference Rs.	Tax Effect Rs.	Temporary difference Rs.	Tax Effect Rs.
On carry forward tax losses	68,347,016	20,504,105	68,347,016	20,504,105
	68,347,016	20,504,105	68,347,016	20,504,105

13.7.4 COMPANY DEFERRED TAX ASSET

Company	2026		2025	
	Temporary difference Rs.	Tax Effect Rs.	Temporary difference Rs.	Tax Effect Rs.
On equipment	83,533	25,060	37,206	11,162
On intangible assets	(656,240)	(196,872)	(757,647)	(227,294)
On retirement benefit obligation	16,412,071	4,923,621	9,748,290	2,924,487
On Carry forward Tax Losses				
	15,839,364	4,751,809	9,027,849	2,708,355

Deferred taxation of the Company is calculated at the rate of 30% as at the year ended 31 March 2026 (2025: 30%) and the Deferred taxation of the Group is recognised based on the rates enacted for each Company as at the year end.

14. BASIC EARNINGS PER SHARE

The Earnings Per Share is computed on the profit for the year attributable to equity holders of the Parent Company divided by the weighted average number of ordinary shares outstanding.

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Profit attributable to Equity Holders of the Parent Company	2,418,377,590	3,606,696,393	3,976,395,759	4,597,714,085
Weighted average number of Ordinary Shares	2,046,158,934	1,914,549,345	2,046,158,934	1,914,549,345
Basic Earnings per share - (Rs.)	1.18	1.88	1.94	2.40
Total number of shares outstanding	2,072,049,345	1,914,549,345	2,072,049,345	1,914,549,345

NOTES TO THE FINANCIAL STATEMENTS

14.1 Weighted Average Number of Ordinary Shares Movement

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at 01st April	1,914,549,345	1,914,549,345	1,914,549,345	1,914,549,345
Effect of Shares Issued During the year	131,609,589	-	131,609,589	-
Weighted average number of Ordinary Shares Balance as at 31st March	2,046,158,934	1,914,549,345	2,046,158,934	1,914,549,345

The Company issued 157,500,000 new ordinary shares during the year under review.

14.2 Diluted Earnings Per Share

There were no potentially dilutive ordinary shares outstanding at anytime during the year, hence diluted earnings per share is equal to the Basic Earnings Per Share.

15. CASH AND CASH EQUIVALENTS

15.1 Favourable Balance

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Cash at Bank	1,328,224,429	561,139,886	4,556,541	5,629,523
Cash in Hand	205,624	50,644	-	-
	1,328,430,053	561,190,530	4,556,541	5,629,523

15.2 Unfavourable Balance

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Bank Overdrafts	(639,473,169)	(402,067,475)	(91,981,774)	(57,392,533)
Cash and Cash Equivalents for the Purpose of Statement of Cash Flows	688,956,884	159,123,055	(87,425,233)	(51,763,010)

16 FINANCIAL ASSETS MEASURED AT FVTPL

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Investment in Government Treasury Bills (Note 16.1)	39,340,813,554	26,913,638,682	-	-
Investment in Government Treasury Bonds (Note 16.1)	43,964,662,632	74,251,077,210	-	-
Investment in Unit Trust Funds (Note 16.2)	6,847,394,993	1,437,142,586	4,036,134,104	726,959,721
Investment in Shares (Note 16.3)	1,868,961,715	1,214,844,659	580,478,849	118,834,611
	92,021,832,893	103,816,703,137	4,616,612,953	845,794,332

16.1 Reconciliation of Investment in Government Securities

As at 31st March,	Group	
	2026 Rs.	2025 Rs.
Balance as at beginning of the year	101,164,715,892	58,790,179,821
Investments during the year	549,555,056,999	884,512,947,400
Sales/Maturities during the year	(568,371,661,452)	(846,771,665,954)
Disposal gain/ (loss) during the year	2,795,795,754	6,314,551,393
Appreciation/ (provision) during the year	(1,838,431,007)	(1,681,296,768)
	83,305,476,186	101,164,715,892

16.1.1 Securities pledged as Collateral - Group

Capital Alliance PLC

The Government securities classified as Financial Assets measured at FVTPL, following amounts have been pledged as collateral for Repurchase Agreements entered into by the Capital Alliance PLC (Subsidiary).

Group	Market Value		Face Value	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Treasury Bills	37,738,993,226	23,354,501,437	40,504,404,262	24,874,701,272
Treasury Bonds	38,504,770,559	73,304,845,795	36,019,624,023	70,142,350,531
	76,243,763,785	96,659,347,232	76,524,028,285	95,017,051,803

16.2 Investment in Unit Trust Funds

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
CAL Islamic Money Market Fund	907,836,168	-	-	-
Capital Alliance High Yield Fund	3,007,375,070	25,264,879	1,978,373,922	22,059,000
Capital Alliance Income Fund	30,520,230	99,014,010	30,060,441	54,903,724
Capital Alliance Investment Grade Fund	1,344,571,262	210,276,462	1,279,486,173	33,666
Capital Alliance Corporate Treasury Fund	870,776	529,281	-	-
Capital Alliance Gilt Money Market Fund	55,588,087	3,377,452	51,937,997	-
Capital Alliance Medium Risk Debt Fund	2,303,525	2,161,203	-	-
Capital Alliance Gilt Fund	2,943,799	2,597,747	-	-
CAL Fixed Income Opportunities Fund	1,482,256,595	1,061,637,560	696,275,571	649,687,718
Capital Alliance Balanced Fund	9,157	7,589	-	-
Capital Alliance Gilt Trading Fund	2,337,855	2,186,795	-	-
Capital Alliance Quantitative Equity Fund	10,782,468	30,089,608	-	275,613
	6,847,394,993	1,437,142,586	4,036,134,104	726,959,721

NOTES TO THE FINANCIAL STATEMENTS

16.2.1 Reconciliation of Investments in Unit Trusts

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Fair value as at beginning of the year	1,437,142,586	1,017,136,577	726,959,721	343,855,579
Investment during the year	23,128,805,519	12,706,859,736	6,314,938,154	2,814,938,154
Redemption during the year	(18,066,827,163)	(12,576,395,775)	(3,180,179,971)	(2,517,882,931)
Disposal gain	341,080,776	246,393,574	168,022,197	63,138,307
Gain on remeasurement	7,193,274	43,148,474	6,394,003	22,910,612
Fair Value of Unit Trust as at end of the year	6,847,394,993	1,437,142,586	4,036,134,104	726,959,721

16.2.2 Investment in Unit Trust Funds

Company

As at 31st March,	2026			2025		
	No. of Units	Fair Value (Rs.)	Cost (Rs.)	No. of Units	Fair Value (Rs.)	Cost (Rs.)
Capital Alliance Investment Grade Fund	32,187,927	1,279,486,173	1,229,389,694	925	33,666	33,268
Capital Alliance Gilt Money Market Fund	7,284,942	51,937,997	44,648,242	-	-	-
Capital Alliance Quantitative Equity Fund	-	-	-	5,390	275,613	91,173
Capital Alliance High Yield Fund	43,655,078	1,978,373,922	1,969,102,991	529,566	22,059,000	21,733,824
Capital Alliance Income Fund	738,884	30,060,441	27,782,892	1,483,909	54,903,724	50,000,000
CAL Fixed Income Opportunities Fund	14,950,386	696,275,571	625,644,250	17,003,213	649,687,718	626,787,209
	98,817,216	4,036,134,104	3,896,568,070	19,023,003	726,959,721	698,645,474

Group

As at 31st March,	2026			2025		
	No. of Units	Fair Value (Rs.)	Cost (Rs.)	No. of Units	Fair Value (Rs.)	Cost (Rs.)
CAL Islamic Money Market Fund	89,746,151	907,836,168	902,000,000			
Capital Alliance Income Fund	750,185	30,520,230	28,201,044	2,676,098	99,014,010	92,769,628
Capital Alliance Investment Grade Fund	33,820,394	1,344,571,262	1,288,840,815	5,779,430	210,276,462	194,836,161
Capital Alliance Corporate Treasury Fund	31,760	870,776	844,018	20,672	529,281	517,463
Capital Alliance Quantitative Equity Fund	165,183	10,782,468	8,446,520	588,442	30,089,608	24,775,675
Capital Alliance High Yield Fund	66,361,162	3,007,375,070	2,992,745,497	606,529	25,264,879	24,850,850
Capital Alliance Gilt Money Market Fund	7,796,912	55,588,087	48,083,882	510,389	3,377,452	2,920,116
Capital Alliance Medium Risk Debt Fund	92,949	2,303,525	2,161,202	92,948	2,161,203	1,692,632
Capital Alliance Gilt Fund	207,656	2,943,799	2,765,292	196,255	2,597,747	2,112,447
CAL Fixed Income Opportunities Fund	33,698,815	1,482,256,595	1,410,168,957	27,784,502	1,061,637,560	1,031,996,990
Capital Alliance Balanced Fund	279	9,157	7,589	279	7,589	5,522
Capital Alliance Gilt Trading Fund	29,253	2,337,855	2,187,701	29,241	2,186,795	1,713,897
	232,700,700	6,847,394,992	6,686,452,516	38,284,785	1,437,142,586	1,378,191,381

16.3 Investment in Quoted Shares

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Investment in Quoted Shares	1,868,961,715	1,214,844,659	580,478,849	118,834,611
	1,868,961,715	1,214,844,659	580,478,849	118,834,611

16.3.1 Reconciliation of Investments in Shares

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at the beginning of the year	1,214,844,659	1,073,716,616	118,834,611	129,510,869
Acquisition of Subsidiary during the year	-	-	-	-
Investments during the year	2,400,769,256	1,991,723,124	711,053,761	211,053,761
Sales during the year	(2,100,169,313)	(2,060,788,783)	(360,183,964)	(222,464,971)
Disposal gain/(loss)	298,631,254	94,529,445	128,870,962	11,303,072
Appreciation/ (Provision) for Value of Investments	58,131,730	119,924,032	(18,096,520)	(10,568,120)
Net Effect of Movement of Exchange Rates	(3,245,870)	(4,259,775)	-	-
Balance as at the end of the year	1,868,961,715	1,214,844,659	580,478,849	118,834,611

16.3.2 Quoted Share Investments

16.3.2.1 Company

As at 31st March,	2026			2025		
	No. of Shares Rs.	Cost Rs.	Market Value Rs.	No. of Shares Rs.	Cost Rs.	Market Value Rs.
Jetwing Symphony PLC	2,649,054	22,208,763	39,590,847	2,649,054	22,199,519	30,464,121
Square Pharmaceuticals Ltd - Bangladesh	5,890	2,800,684	2,799,877	5,890	2,800,684	2,623,719
BPPL Holdings PLC	-	-	-	1,000,000	23,965,440	19,000,000
Central Finance Company PLC	-	-	-	150,000	32,964,421	29,137,500
Lanka IOC PLC	-	-	-	296,136	39,693,277	37,609,272
ACL Cables PLC	884,248	56,512,290	75,161,080	-	-	-
Haycarb PLC	646,897	70,466,490	70,835,222	-	-	-
LOLC Holding PLC	250,000	149,355,000	132,437,500	-	-	-
R I L Property PLC	1,000,000	37,860,000	25,100,000	-	-	-
Seylan Bank PLC	750,000	58,290,000	52,950,000	-	-	-
Aitken Spence PLC	297,192	46,593,762	41,309,688	-	-	-
Sunshine Holding PLC	1,400,000	48,132,000	41,160,000	-	-	-
Teejay Lanka PLC	279,047	10,157,311	7,813,316	-	-	-
Tokyo Cement Company (Lanka) PLC	1,252,693	98,987,801	91,321,320	-	-	-
	9,415,021	601,364,100	580,478,850	4,101,080	121,623,341	118,834,612
(Add): Appreciation/ (provision) for Value of Investments		(20,885,251)			(2,788,730)	
		580,478,849			118,834,611	

16.3.2.2 Appreciation/ (provision) for Value of Investments for Value of Investments

As at 31st March,	Company	
	2026 Rs.	2025 Rs.
Balance at the beginning of the year	(2,788,730)	7,779,390
(Provision)/ Reversal for the year	(18,096,521)	(10,568,120)
Balance at the end of the year	(20,885,251)	(2,788,730)

NOTES TO THE FINANCIAL STATEMENTS

16.3.2.3 Group

As at 31st March,	2026			2025		
	No. of Shares Rs.	Cost Rs.	Market Value Rs.	No. of Shares Rs.	Cost Rs.	Market Value Rs.
Jetwing Symphony PLC	2,649,054	22,208,763	39,590,847	2,649,054	22,199,519	30,464,121
Prime Lands Residencies PLC	1,683,000	85,563,720	78,596,100	-	-	-
Square Pharmaceuticals Ltd-Bangladesh	5,890	2,800,684	2,799,877	105,890	3,041,004	2,865,111
ACL Cables PLC	1,084,248	69,072,290	92,161,080	-	-	-
CAL Three Year Closed End Fund [Fund]	9,913,391	99,133,910	104,090,606	-	-	-
People's Leasing & Finance PLC	-	-	-	5,360,201	82,157,812	95,947,598
BPPL Holdings PLC	-	-	-	1,000,000	23,965,440	19,000,000
Central Finance Company PLC	-	-	-	150,000	32,964,421	29,137,500
Lanka IOC PLC	-	-	-	966,136	120,802,450	122,699,272
Aitken Spence Hotel Holdings PLC	-	-	-	640,053	49,236,254	51,268,245
Sunshine Holdings PLC	2,758,932	94,539,528	81,112,601	-	-	-
Commercial Bank PLC	546,081	110,025,942	111,537,044	73,029	7,600,882	10,771,777
R I L Property PLC	1,000,000	37,860,000	25,100,000	-	-	-
Digital Mobility Solutions Lanka PLC	751,233	105,638,384	103,106,729	-	-	-
Nations Trust Bank PLC	613,705	93,547,053	177,514,171	734,909	106,214,328	139,632,710
Seylan Bank PLC	2,400,000	159,484,500	169,440,000	-	-	-
Vallibel One PLC	167,638	9,830,292	15,405,932	1,531,351	80,574,130	90,196,574
DFCC Bank PLC	-	-	-	-	-	-
Hayleys PLC	849,045	118,137,850	182,544,675	1,054,896	117,930,696	144,520,752
Haycarb PLC	646,897	70,466,490	70,835,222	-	-	-
John Keells Hotels PLC	-	-	-	-	-	-
Aitken Spence PLC	731,812	107,544,871	101,721,868	754,755	104,793,763	96,419,951
Teejay Lanka PLC	279,047	10,157,311	7,813,316	-	-	-
Central Finance Company PLC	-	-	-	628,791	139,286,032	122,142,652
LOLC Holdings PLC	298,840	177,604,544	158,310,490	116,000	84,225,974	68,991,000
Ceylon Guardian Investment Trust PLC	-	-	-	129,863	20,868,681	19,901,505
Overseas Realty (Ceylon) PLC	-	-	-	2,700,463	64,555,412	64,000,973
City Bank PLC	104,551	7,893,920	8,031,891	-	-	-
Tokyo Cement Company (Lanka) PLC	2,259,227	179,654,441	164,802,192	600,000	33,236,557	47,400,000
British American Tobacco Bangladesh Limited	26,228	17,010,008	16,608,682	-	-	-
Envoy Textiles Limited	182,872	25,604,096	23,088,065	-	-	-
Dhaka Bank PLC	200,000	7,253,789	7,124,387	-	-	-
BRAC Bank PLC	139,500	26,761,600	26,043,326	-	-	-
Marico Bangladesh Limited	2,913	21,450,547	20,535,404	-	-	-
Beximco Pharmaceuticals PLC	20,000	6,694,507	6,606,573	-	-	-
NRB Bank Limited	-	-	-	49,355	2,840,176	2,689,590
Semllecmf	90,000	2,693,099	1,717,489	-	-	-
Walton Hi-Tech Industries PLC	22,713	23,783,625	22,242,861	-	-	-
Investment Corporation of Bangladesh	-	-	-	10,000	3,661,115	3,421,829
Shanta Fixed Income Fund	13,585	367,452	405,103	1,857,872	50,360,860	48,268,540
IDLC Finance PLC	489,615	51,628,613	50,075,183	36,000	4,940,744	4,668,213
Nahee Aluminum Composite Panel PLC	-	-	-	3,000	459,457	436,746
	29,930,017	1,744,411,827	1,868,961,715	21,151,618	1,155,915,707	1,214,844,659
Add/(Less): Appreciation/ (Provision) for Value of Investments		124,549,889			58,928,952	
		1,868,961,715			1,214,844,659	

16.3.2.4 Appreciation/ (Provision) for Value of Investments

As at 31st March,	Group	
	2026 Rs.	2025 Rs.
Balance at the beginning of the year	58,928,952	(59,387,133)
Reversal/ (Provision) for the year	58,131,730	119,924,032
Net Effect of Movement of Exchange Rates	7,489,207	(1,607,947)
Balance at the end of the year	124,549,889	58,928,952

17 FINANCIAL ASSETS MEASURED AT FVOCI

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Investment in Un quoted Shares (Note 17.1)	-	-	-	-
Investment in Preference shares (Note 17.2)	-	-	2,860,000,000	325,000,000
	-	-	2,860,000,000	325,000,000

17.1 INVESTMENT UNQUOTED SHARES

Group

As at 31st March,	2026 Cost Rs.	2025 Fair Value Rs.	2026 Cost Rs.	2025 Fair Value Rs.
Lanka Financial Services Bureau Limited	1,000,000.00	-	1,000,000.00	-
Lanka Rating Agency Limited	29,492,315.00	-	29,492,315.00	-
	30,492,315.00	-	30,492,315.00	-

Company

As at 31st March,	2026 Cost Rs.	2025 Fair Value Rs.	2026 Cost Rs.	2025 Fair Value Rs.
Lanka Financial Services Bureau Limited	-	-	-	-
Lanka Rating Agency Limited	29,492,315.00	-	29,492,315.00	-
	29,492,315.00	-	29,492,315.00	-

17.2 Investments in Preference Shares

As at 31st March,	Company	
	2026 Rs.	2025 Rs.
Capital Alliance Securities (Private) Limited (each Rs. 10/=)	325,000,000	325,000,000
Finnovation Pvt Ltd (each Rs. 10/=)	2,535,000,000	-
	2,860,000,000	325,000,000

NOTES TO THE FINANCIAL STATEMENTS

Pursuant to the disposal of the Company's 40% equity stake (3,297,298 ordinary voting shares) in Capital Alliance Securities (Private) Limited to CAL Investment Consultancy FZ-LLC, a wholly-owned subsidiary of the Company, as approved on 27th September 2024 and formalised through the Share Sale and Purchase Agreement executed on 22nd January 2025, the Company has ceased to exercise direct control over Capital Alliance Securities (Private) Limited. Accordingly, the investment in 32,500,000 preference shares with a nominal value of Rs. 10 each, amounting to Rs. 325,000,000, has been reclassified from "Investment in Subsidiary" to "Financial Assets at Fair Value through Other Comprehensive Income in the financial statements for the year ended 31st March 2025.

Further Company has Invested 253,500,000 preference shares with a nominal value of Rs. 10 each, amounting to Rs. 2,535,000,000, has been classified as Financial Assets at Fair Value through Other Comprehensive Income in the financial statements for the year ended 31st March 2026.

The Company designated the investments in preference shares as FVOCI because these securities represents the investments that the Company intends to hold for the long term for strategic purposes. There were no dividends received on these investments during the year.

18 FINANCIAL ASSETS MEASURED AT AMORTISED COST

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Securities Purchased Under Resale Agreements (Note 18.1)	1,914,745,432	3,003,008,990	-	2,535,206,833
Investment in Debentures - Unquoted	1,274,092,630	-	-	-
Investment in Corporate Debt	100,054,795	-	-	-
Placement with Banks	69,368,937	-	-	-
Term Deposits	1,108,266,161	403,277,260	-	-
	4,466,527,955	3,406,286,250	-	2,535,206,833

18.1 Securities Purchased Under Resale Agreements Movement

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at 1st April	3,003,008,990	1,015,901,339	-	-
Net purchases during the year	(1,453,859,395)	1,608,583,914	-	2,533,000,000
Interest Income during the year	365,595,837	378,523,737	-	2,206,833
Balance as at 31st March	1,914,745,432	3,003,008,990	-	2,535,206,833

18.1.1 Fair value of the Securities Pledged for the Securities Purchased under Resale Agreements - Group

Capital Alliance PLC (Subsidiary)

As at 31st March,	Market Value (Rs.)		Face Value (Rs.)	
	2026	2025	2026	2025
Treasury Bonds	1,667,230,819	3,347,171,046	1,490,900,000	3,076,800,000
	1,667,230,819	3,347,171,046	1,490,900,000	3,076,800,000

The Company follows the guidelines stipulated in the direction on repurchase and reverse repurchase transactions of dealer direct participants in scripless treasury bonds and scripless treasury bills, issued by the central bank of Sri Lanka, in receiving securities for reverse repurchase agreements (Direction No. 01 of 2019, dated 20 December 2019). Only the eligible securities are used for such receipts and the section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

The Company is entitled to repledge the securities received as collateral for the Resale Agreements (Reverse Repo) and the entity has an obligation to return such securities at deal maturity. In relation to any repurchase transaction, at anytime between the purchase date and repurchase date the dealer can Substitute other Eligible Securities for any purchased securities. However, the purchased securities shall not be traded at any time between the Purchase Date and the Repurchase Date. Accordingly, the Company has repledged market value of treasury bonds amounting to Rs. 1,679,940,227 as at 31 March 2026. (As at 31st March 2025 - 1,606,594,051).

An effective internal control system is used to verify the accuracy of security allocation to each reverse repurchase transaction.

In accordance with the guidelines of the Central Bank of Sri Lanka, the Company ensures that the discounted market values of eligible securities are sufficiently covered by their resale values, both at the inception of the transactions and throughout their duration.

Remaining Term to Maturity of the Eligible Security Minimum Haircut (%)

	2026	2025
Up to 1 year	4	4
More than 1 year and up to 3 years	6	6
More than 3 year and up to 5 years	8	8
More than 5 year and up to 8 years	10	10
More than 8 years	12	12

18.2 Investment in Commercial Papers

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Commercial Papers	114,395,855	114,395,855	-	-
Less: Provision for impairment	(114,395,855)	(114,395,855)	-	-
	-	-	-	-

Based on a review of the available financial information related to the issuers of the aforementioned commercial papers, the management has assessed that there is a significant doubt regarding the recoverability of these instruments and considered the investment in commercial papers under stage 3 as per the SLFRS 9 – Financial Instruments. Accordingly, management has concluded that the commercial papers are not recoverable and has decided to recognise a full impairment of these investments in the financial statements for the year ended 31st March 2026.

NOTES TO THE FINANCIAL STATEMENTS

19 TRADE AND OTHER RECEIVABLES

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Trade Receivables	4,254,462,982	3,291,380,324	46,151,910	26,721,473
Other Receivables	152,739,097	34,510,627	6,859,866	5,025,903
Less: Provision for impairment of trade receivables (Note 19.1)	(19,905,953)	(34,945,384)	(1,151,910)	(2,407,211)
	4,387,296,126	3,290,945,567	51,859,866	29,340,165
Short Term Loans (Note 19.2)	324,421,914	39,024,885	4,728,247	4,638,691
Deposits	192,075,862	120,501,340	8,172,781	6,388,500
Deposit for CSE requirement	25,320,751	16,000,000	-	-
Advances	126,864,888	9,711,565	1,181,980	4,270,842
VAT Receivable	26,352,884	4,763,808	-	-
Withholding Tax Receivable	12,393,090	430,667	1,043,087	100
Reimbursable Expenses	52,510,004	15,093,800	1,150	15,041,167
Prepayments	49,629,300	32,727,119	1,825,316	1,241,016
	5,196,864,820	3,529,198,751	68,812,427	60,920,481

19.1 Provision for impairment of trade and other receivables

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at the beginning of the year	34,945,384	31,661,743	2,407,211	-
Written-off during the year	-	(10,721,719)	-	-
Provision during the year	(2,310,609)	9,922,534	(1,255,301)	2,407,211
Net effect of movement of exchange rates	(12,728,822)	4,082,826	-	-
Balance as at end of the year	19,905,953	34,945,384	1,151,910	2,407,211

19.2 Short term loan includes the following loans given by the Company

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Margin loans	318,730,797	-	-	-
Staff Loans	5,691,117	39,024,885	4,728,247	4,638,691
	324,421,914	39,024,885	4,728,247	4,638,691
Less : Provision for Specific Impairment	-	-	-	-
	324,421,914	39,024,885	4,728,247	4,638,691

20 AMOUNTS DUE FROM RELATED ENTITIES

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Capital Alliance PLC	-	-	1,994,015	4,685,733
Capital Alliance Investments Limited	-	-	3,585,183	13,528,950
Capital Alliance Partners Limited	-	-	24,585,386	855,008
Capital Alliance Securities (Pvt) Limited	-	-	103,949,813	6,346,655
CAL Bangladesh Limited	-	-	1,083,152	2,850,530
CAL Securities Limited	-	-	31,776,739	22,936,050
CAL Investments Limited	-	-	18,451,339	23,040,015
CAL Investment Consultancy FZ-LLC	-	-	617,700	292,700
	-	-	186,043,327	74,535,641

Detailed related party transactions are listed in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

21 INVESTMENT IN SUBSIDIARIES

Company	As at 31st March,	2026				2025			
		Market Value (Rs.)	No. of Shares	Holding %	Cost Rs.	Market Value (Rs.)	No. of Shares	Holding %	Cost Rs.
Investments in Ordinary Shares									
Capital Alliance PLC	14,618,133,043	283,297,152		86.00%	1,635,121,720	15,524,683,930	283,297,152	86.00%	1,635,121,720
Finnovation (Private) Limited	-	6,000,000		100%	60,000,000	-	6,000,000	100%	60,000,000
CAL (Private) Limited	-	2,000,001		100%	20,000,010	-	2,000,001	100%	20,000,010
CAL Investment Consultancy FZ-LLC	-	3,629		100%	182,183,100	-	3,629	100%	182,183,100
Fixed Income Investment I (Pvt) Ltd	-	1		100%	10	-	1	100%	10
Fixed Income Investment II (Pvt) Ltd	-	1		100%	10	-	1	100%	10
					1,897,304,850				1,897,304,850

* Formally FipBox (Private) Limited

21.3 Provision for Impairment of Subsidiary

As at 31st March,	Company	
	2026 Rs.	2025 Rs.
Balance as at the beginning of the year	-	24,041,587
Reversal of Impairment of Investment in Subsidiaries	-	(24,041,587)
Balance as at end of the year	-	-

Indirect Holdings

	2026 Holding %	2025 Holding %
Capital Alliance Investments Limited	94.76%	94.76%
Capital Alliance Securities (Private) Limited	100.00%	100.00%
CAL Securities Limited	63.24%	63.24%
CAL Bangladesh Limited	99.90%	99.90%
CAL Investments Limited, Bangladesh	51.00%	51.00%
Capital Alliance Partners Limited	100.00%	100.00%
CAL Global Pte. Ltd, Singapore	100.00%	0.00%
Capital Alliance Advisory (Private) Limited	100.00%	100.00%

21.4 Non-Controlling Interests (Nci) in Subsidiaries

Material Non Controlling Interest

The group has assessed each subsidiary that has non-controlling interest based on contributions made to the group revenue, profit, total assets, net assets and cashflows. As per SLFRS 12, following table summarises the information relating to subsidiaries which have material non-controlling interests.

Company	CAL Investments Limited, Bangladesh		Capital Alliance PLC		CAL Securities Limited, Bangladesh	
	2026	2025	2026	2025	2026	2025
NCI percentage	49%	49%	14%	14%	36.76%	36.76%
Total assets	921,775,098	739,159,340	84,277,998,343	105,356,533,738	1,407,792,036	985,574,103
Total liabilities	286,529,251	98,852,785	73,155,571,870	90,960,391,914	899,658,589	466,344,568
Net assets	635,245,847	640,306,555	11,122,426,473	14,396,141,824	508,133,447	519,229,535
Net assets attributable to NCI	311,270,465	313,750,212	1,557,139,706	2,015,459,855	186,804,845	190,884,094
For the year ended 31 March						
Total Operating Income	180,159,093	184,519,733	3,624,487,429	7,557,680,967	148,069,146	120,677,601
Profit/ (loss) after tax	(44,565,692)	1,397,135	2,000,848,065	4,420,593,984	(40,319,048)	(80,847,734)
Other comprehensive income/(expense)	-	-	(3,877,272)	2,309,471	-	-
Total comprehensive income/ (expense)	(44,565,692)	1,397,135	1,996,970,793	4,422,903,455	(40,319,048)	(80,847,734)
Profit/ (loss) attributable to NCI	(21,837,189)	684,596	280,118,729	618,883,158	(14,822,472)	(29,722,012)
Total comprehensive income/ (loss) attributable to NCI	(21,837,189)	684,596	279,575,911	619,206,484	(14,822,472)	(29,722,012)
Dividend paid to NCI	-	-	737,931,712	899,354,274	-	-
Net cash flows generated from/ (used in) operating activities	184,815,534	(3,835,225)	5,669,011,901	6,118,097,614	466,090,021	(646,361,070)
Net cash flows generated from/ (used in) in investing activities	(47,997,362)	(34,120,350)	(1,169,593)	(7,471,254)	(557,110,632)	261,773,147
Net cash flows generated from/ (used in) in financing activities	125,669,341	(14,334,190)	(5,271,203,805)	(6,427,428,757)	231,994,711	337,482,444
Net increase/ (decrease) in cash and cash equivalents	262,487,513	(52,289,765)	396,638,503	(316,802,397)	140,974,099	(47,105,479)

NOTES TO THE FINANCIAL STATEMENTS

22 INVESTMENT IN ASSOCIATE

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Curry King (Pvt) Ltd	276,264,267	-	-	-
	276,264,267	-	-	-

22.1 Investment In Associate

Finnovation (Pvt) Ltd increased its Investment in Associate to 24.42% and recognised Curry King (Pvt) Ltd's share of profit in Finnovation (Pvt) Ltd's financial statements from that date.

22.2 Value of the investment

As at 31st March,	Group	
	2026 Rs.	2025 Rs.
Balance as at beginning of the year	-	-
During the year new Investment	295,002,400	-
	295,002,400	-
Current years share of comprehensive income		
Included in Profit or loss	(18,738,133)	-
Included in other comprehensive income/ (Expense)	-	-
	(18,738,133)	-
Carrying amount of interest in Associate	276,264,267	-

Financial performance of equity accounted investee

As at 31st March,	Group	
	2026 Rs.	2025 Rs.
Revenue	67,702,609	-
Profit for the year, net of tax	(199,873,421)	-
Other comprehensive expense	-	-
Total Comprehensive income	(199,873,421)	-
Company's share of profit for the year (20%) - From November 15th	(18,738,133)	-
Company's share of other comprehensive expense (24.42%)	-	-
Company's share of total comprehensive income (24.42%)	(18,738,133)	-

23 INTANGIBLE ASSETS

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
License Fees (Note 23.1)	48,344,325	48,872,111	-	-
Software (Note 23.2)	38,860,792	40,534,464	1,002,811	2,060,064
Goodwill (Note 23.4)	71,249,394	71,249,394	-	-
Total Carrying Value	158,454,511	160,655,969	1,002,811	2,060,064

23.1 License Fees

As at 31st March,	Company	
	2026 Rs.	2025 Rs.
Cost		
At the beginning of the year	54,142,275	52,883,837
Additions During the year	-	1,258,438
Balance as at 31st March	54,142,275	54,142,275
Accumulated Amortisation		
At the beginning of the year	7,906,250	7,906,250
Balance as at 31st March	7,906,250	7,906,250
Net effect of movement of exchange rates	2,108,300	2,636,086
Net Carrying Value	48,344,325	48,872,111

23.2 Computer Software

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Cost				
Balance as at 1st April	203,749,045	180,160,941	13,350,659	13,232,991
Additions during the year	7,615,597	23,588,104	-	117,668
Write off during the year	-	-	-	-
Balance as at 31st March	211,364,642	203,749,045	13,350,659	13,350,659
Accumulated Amortisation				
Balance as at 1st April	163,982,446	154,793,386	11,290,595	9,445,162
Amortised during the year	11,831,185	9,189,060	1,057,253	1,845,433
Write off during the year	-	-	-	-
Balance as at 31st March	175,813,631	163,982,446	12,347,848	11,290,595
Net effect of movement of exchange rates	3,309,781	767,865	-	-
Net Carrying Value	38,860,792	40,534,464	1,002,811	2,060,064

NOTES TO THE FINANCIAL STATEMENTS

23.3 Fully Depreciated Assets

The initial cost of fully-depreciated Intangible Assets as at 31st March which are still in use as follows

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Computer Software	136,034,157	130,410,647	9,762,614	9,007,882
	136,034,157	130,410,647	9,762,614	9,007,882

23.4 Goodwill

As at 31st March,	Group	
	2026 Rs.	2025 Rs.
CAL Investments Limited, Bangladesh	71,249,394	71,249,394
	71,249,394	71,249,394

Goodwill is arisen in respect of acquisition of 51% of equity in CAL Investments Limited, Bangladesh during the year 2022/2023.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it may be impaired. For the purpose of impairment testing, goodwill acquired through business combinations has been allocated to individual cash-generating units (CGUs), which represent the lowest level at which goodwill is monitored for internal management purposes. An impairment loss is recognised when the carrying amount of a CGU, including the allocated goodwill, exceeds its recoverable amount. The recoverable amount is determined as the higher of the CGU's fair value less costs of disposal and its value in use (VIU), based on management's best estimates of future cash flows and appropriate discount rates.

The value in use calculations for the CGUs are most sensitive to the following assumptions: Pre-tax discount rates - Discount rates applied reflect the current market assessment of the time value of money and the risks specific to each CGU, incorporated in to the cash flow projections. The discount rate calculation is based on the specific circumstances of the Group and derived from its Weighted Average Cost of Capital ("WACC"). The WACC takes into account both debt and equity.

The estimated value in use (VIU) of the CGUs exceeds their carrying amounts by Rs. 431 Mn as at 31st March 2026.

For the VIU computation the discount rate of 10%, portfolio growth of 5% and terminal growth rate of 4.7% were used by the Management and the 5 years cashflow projection has been prepared based on the approved budget of the subsidiary.

Below table summarises the sensitivity of the assumptions used in the VIU assessment as at 31st March 2026 in relation to the goodwill.

	Change in VIU 2026 March
Discount rate	
1% increase	(135,724,462)
1% decrease	198,832,605
Portfolio growth rate	
1% increase	15,488,934
1% decrease	(15,071,077)

24 RIGHT - OF - USE ASSET

As at 31st March,	Group	
	2026 Rs.	2025 Rs.
Cost		
Balance as at 01st April	217,293,581	264,869,810
Derecognised during the year	-	(112,848,870)
Additions during the year	312,453,993	65,272,641
Balance as at 31st March	529,747,574	217,293,581
Accumulated Depreciation		
Balance as at 01st April	86,010,916	149,200,217
Depreciation for the year	65,771,438	44,173,184
De-recognised during the Year	-	(107,362,485)
Balance as at 31st March	151,782,354	86,010,916
Net Effect of Movement of Exchange Rates	(24,917,257)	(21,682,419)
Carrying Amount Value as at 31st March	353,047,963	109,600,246

24.1 Right of Use Asset Category

	Premise	Lease Term	No Sq.Feet
Buildings	The Second (02nd) Floor designated as Level Five (05), of "Millennium House" situated at No. 46/58, Nawam Mawatha, Colombo 02	2025-2027	7,900
Buildings	Navana FS Cosmo, Floor No.5th, Plot No.4/B, Road No. 94,Gulshan, Dhaka-1212, Bangladesh	2021-2026	2,868
Buildings	House # 16,Apartment# 2B,Road 1, Baridhara Diplomatic Area, Dhaka-1212, Bangladesh	2023-2029	Residential Building
Buildings	The second (06th) floor of "M2M Building" situated at No. 34, W.A.D Ramanayake Mawatha, Colombo 02.	2025-2030	13,400

NOTES TO THE FINANCIAL STATEMENTS

25 PROPERTY, PLANT, AND EQUIPMENT

25.1 Group

	Computer Equipment Rs.	Office Equipment Rs.	Furniture and Fittings Rs.	Motor Vehicles Rs.	Communication Devices Rs.	Total Rs.
Cost						
Balance as at 01st April 2024	112,348,580	58,611,807	76,884,705	71,080,776	2,159,853	321,085,721
Additions during the year	16,722,357	1,725,294	35,526,584	-	600,300	54,574,535
Disposals/ write- off year	(1,555,798)	-	-	(15,253,740)	-	(16,809,538)
Balance as at 31st March 2025	127,515,139	60,337,101	112,411,289	55,827,036	2,760,153	358,850,718
Balance as at 01st April 2025	127,515,139	60,337,101	112,411,289	55,827,036	2,760,153	358,850,718
Additions during the year	27,335,287	2,721,075	6,275,846	-	405,900	36,738,108
Disposals/ write- off year	-	-	-	(54,000,000)	-	(54,000,000)
Balance as at 31st March 2026	154,850,426	63,058,176	118,687,135	1,827,036	3,166,053	341,588,826
Accumulated Depreciation						
Balance as at 01st April 2024	68,258,155	25,439,437	48,862,687	25,180,776	2,073,104	169,814,159
Depreciation during the year	21,311,368	6,054,943	10,299,981	10,800,000	394,335	48,860,627
Disposals/ write- off year	(1,555,798)	-	-	(15,253,740)	-	(16,809,538)
Balance as at 31st March 2025	88,013,725	31,494,380	59,162,668	20,727,036	2,467,439	201,865,248
Balance as at 01st April 2025	88,013,725	31,494,380	59,162,668	20,727,036	2,467,439	201,865,248
Depreciation during the year	24,754,978	6,440,504	12,574,769	10,800,000	519,526	55,089,777
Disposals/ write- off year	-	-	-	(29,700,000)	-	(29,700,000)
Balance as at 31st March 2026	112,768,703	37,934,884	71,737,437	1,827,036	2,986,965	227,255,025
Exchange Difference as at 31st March 2025	(5,714,210)	(6,792,108)	(4,257,829)	-	-	(16,764,147)
Exchange Difference as at 31st March 2026	(5,043,742)	(4,023,072)	(3,818,774)	-	-	(12,885,588)
Carrying value as at 31st March 2025	33,787,204	22,050,613	48,990,792	35,100,000	292,714	140,221,323
Carrying value as at 31st March 2026	37,037,981	21,100,220	43,130,924	-	179,088	101,448,214

25.2 Company

	Computer Equipment Rs.	Office Equipment Rs.	Furniture and Fittings Rs.	Motor Vehicles Rs.	Communication Devices Rs.	Total Rs.
Cost						
Balance as at 01st April 2024	6,864,721	8,907,518	27,189,868	16,209,926	49,126	59,221,159
Additions during the year	-	-	-	-	-	-
Disposals / Transfers	(1,320,798)	-	-	(15,253,740)	-	(16,574,538)
Balance as at 31st March 2025	5,543,923	8,907,518	27,189,868	956,186	49,126	42,646,621
Balance as at 01st April 2025	5,543,923	8,907,518	27,189,868	956,186	49,126	42,646,621
Additions during the year	-	-	-	-	-	-
Disposals during the year	-	-	-	-	-	-
Balance as at 31st March 2026	5,543,923	8,907,518	27,189,868	956,186	49,126	42,646,621
Accumulated Depreciation						
Balance as at 01st April 2024	6,563,904	8,867,026	25,544,168	16,209,926	49,126	57,234,150
Depreciation during the year	121,817	40,492	1,638,019	-	-	1,800,328
Disposals / Transfers	(1,320,798)	-	-	(15,253,740)	-	(16,574,538)
Balance as at 31st March 2025	5,364,923	8,907,518	27,182,187	956,186	49,126	42,459,940
Balance as at 01st April 2025	5,364,923	8,907,518	27,182,187	956,186	49,126	42,459,940
Depreciation during the year	119,333	-	7,681	-	-	127,014
Disposals during the year	-	-	-	-	-	-
Balance as at 31st March 2026	5,484,256	8,907,518	27,189,868	956,186	49,126	42,586,954
Carrying value as at 31st March 2025	179,000	-	7,681	-	-	186,681
Carrying value as at 31st March 2026	59,667	-	-	-	-	59,667

25.3 Capitalisation of Borrowing Cost

There were no capitalised borrowing cost related to the acquisition of Property, Plant, Equipment during the year (2025 - Nil)

25.4 Title Restriction on Property, Plant and Equipment

There are no restrictions that existed on the title of the Equipment of the Group and the Company as at the reporting date.

25.5 Property, Plant and Equipment pledged as Security for Liabilities

There were no items of Equipment pledged as security as at 31st March 2026.

25.6 Temporarily Idle Property, Plant and Equipment

There were no temporary idle items of Equipment as at 31st March 2026.

NOTES TO THE FINANCIAL STATEMENTS

25.7 Fully depreciated Property, Plant, Equipment in use

The initial cost of fully-depreciated equipment as at 31st March which are still in use as follows,

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Computer Equipment	46,304,664	34,653,914	5,185,923	5,185,923
Office Equipment	21,488,443	20,228,267	8,907,518	8,907,518
Furniture & Fittings	50,584,948	35,676,513	27,189,868	27,151,468
Communication Devices	1,758,053	1,701,153	49,126	49,126
Motor Vehicles	1,827,036	1,827,036	956,186	956,186
	121,963,144	94,086,883	42,288,621	42,250,221

26 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Securities Sold Under Repurchase Agreements (Note 26.1)	67,862,668,630	81,875,927,290	-	-
Short-Term Loans (Note 26.2)	9,167,982,522	3,888,731,715	500,150,685	125,315,308
Commercial Papers (26.3)	199,891,125	217,927,269	-	-
	77,230,542,278	85,982,586,274	500,150,685	125,315,308

26.1 Securities Pledged as Collateral under Securities Sold under Repurchase Agreements - Group

Capital Alliance PLC (Subsidiary)

As at 31st March,	Market Value (Rs.)		Face Value (Rs.)	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Treasury Bills	37,738,993,226	23,354,501,437	40,504,404,262	24,874,701,272
Treasury Bonds	38,504,770,559	73,304,845,795	36,019,624,023	70,142,350,531
	76,243,763,785	96,659,347,232	76,524,028,285	95,017,051,803

The Company follows the guidelines stipulated in the Direction on Repurchase and Reverse Repurchase Transactions of Dealer Direct Participants in Scripless Treasury Bonds and Scripless Treasury Bills, issued by the Central Bank of Sri Lanka, in allocating securities for repurchase agreements (Direction No. 01 of 2019 dated 20 December 2019). Only the eligible securities are used for such allocations and the Section 4.3, 4.4 and 4.5 are complied with when considering the haircut requirements.

An effective internal control system is used to verify the accuracy of security allocation to each Repurchase and reverse repurchase transaction.

In accordance with the guidelines of the Central Bank of Sri Lanka, the Company ensures that the discounted market values of eligible securities are sufficiently covered by their repurchase values, at the inception of the transactions and throughout their duration.

Remaining Term to Maturity of the Eligible Security Minimum Haircut (%)

	Minimum Haircut (%)	
	2026	2025
Up to 1 year	4	4
More than 1 year and up to 3 years	6	6
More than 3 years and up to 5 years	8	8
More than 5 years and up to 8 years	10	10
More than 8 years	12	12

26.2 Term Loan Movement

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at 1st April	3,888,731,715	478,234,603	125,315,308	-
Loans obtained during the year	14,196,834,836	11,659,000,000	500,000,000	1,700,000,000
Loan repayment during the Year	(8,938,731,715)	(8,262,234,603)	(125,315,308)	(1,575,000,000)
Interest payables	21,147,686	13,731,715	150,685	315,308
Balance as at 31st March	9,167,982,522	3,888,731,715	500,150,685	125,315,308

26.2.1 Short -Term Loans

Bank Loans

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Union Bank of Colombo PLC	500,153,377	729,548,906	-	125,315,308
DFCC Bank Loan	1,405,030,638	-	500,150,685	-
Nations Trust Bank PLC	200,725,863	1,152,083,357	-	-
Sampath Bank PLC	4,508,667,945	-	-	-
Hatton National Bank PLC	2,005,230,137	1,003,027,397	-	-
Cargills Bank PLC	-	502,922,740	-	-
ICB - Bangladesh	46,834,836	-	-	-
National Development Bank PLC	501,339,726	501,149,315	-	-
	9,167,982,522	3,888,731,715	500,150,685	125,315,308

26.2.2 Bank Loans - Company

Name of the Bank	Facility Type	Interest Rate	Security Offered	Outstanding as at 31st March 2026	Outstanding as at 31st March 2025
Union Bank of Colombo PLC	Short term loan	The rate is determined at the time of drawdown	Nil	-	125,315,308
DFCC Bank	Short term loan	The rate is determined at the time of drawdown	Nil	500,150,685	-

NOTES TO THE FINANCIAL STATEMENTS

26.2.3 Bank Loans - Group

Name of the Bank	Facility Type	Interest Rate	Security Offered	Outstanding as at 31st March 2026	Outstanding as at 31st March 2025
Union Bank of Colombo PLC	Short term loan	The rate is determined at the time of drawdown	Nil	-	125,315,308
DFCC Bank PLC	Short term loan	The rate is determined at the time of drawdown	Nil	500,150,685	-
DFCC Bank PLC	Short term loan	AWPLR + 1.5% p.a.	Nil	502,688,172	-
ICB - Bangladesh	3 Years	4%	Nil	46,834,836	-
Union Bank of Colombo PLC	Short term loan	AWPLR + 1% p.a	Nil	400,122,473	604,233,598
Nations Trust Bank PLC	Short term loan	AWPLR +0.75%	Nil	200,725,863	151,116,782
Union Bank of Colombo PLC	Short term loan	11.28%	Nil	100,030,904	-
Sampath Bank PLC	Short term loan	AWPLR - 0.10%	Nil	1,500,743,014	-
National Development Bank PLC	Short term loan	The rate is determined at the time of drawdown	Nil	501,339,726	501,149,315
Hatton National Bank PLC	Short term loan	AWPLR+ 0.75%	Corporate guarantee by Capital Alliance Holdings PLC	2,005,230,137	1,003,027,397
Cargills Bank PLC	Short term loan	AWPLR + 0.5%	Nil	-	502,922,740
DFCC Bank PLC	Intra day loan	10%	Corporate guarantee by Capital Alliance Holdings PLC	402,191,781	-
Nations Trust Bank PLC	Short term loan	AWPLR - 0.10%	Nil	-	1,000,966,575
Sampath Bank PLC	Short term loan	AWPLR+ 0.5%	Nil	3,007,924,932	-
				9,167,982,522	3,888,731,715

26.3 Commercial Papers Movement

As at 31st March,	Market Value (Rs.)		Face Value (Rs.)	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at 1st April	217,927,269	215,425,604	-	-
Investment during the year	3,009,344,257	5,000,000,000	-	-
Settlement during the year	(3,079,126,325)	(5,069,414,830)	-	-
Interest Expenses during the year	51,745,925	71,916,495	-	-
Balance as at 31st March	199,891,125	217,927,269	-	-

The interest rate applicable for the commercial papers ranges between 5% to 6% and the maturity is one year period.

27 TRADE & OTHER PAYABLES

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Trade Creditors	1,038,914,211	430,403,074	-	-
Provisions and Accrued Expenses	1,323,026,948	1,836,957,221	16,980,272	62,554,165
Other Payables	254,419,701	69,890,950	2,614,722	8,961,183
	2,616,360,860	2,337,251,245	19,594,994	71,515,348

28 AMOUNTS DUE TO RELATED PARTIES

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Capital Alliance Securities (Pvt) Limited	-	-	-	-
	-	-	-	-

29 LEASE LIABILITY**29.1 Lease liability Movement**

As at 31st March,	GROUP	
	2026 Rs.	2025 Rs.
Balance as at 1st April	118,763,535	115,012,852
Additions during the year	230,458,446	65,272,641
Interest Expense for the year	20,739,198	9,292,923
Lease rental Payment during the year	(53,254,554)	(54,983,831)
Exchange Difference	(7,641,278)	(15,831,050)
Balance as at 31st March	309,065,347	118,763,535

29.2 Amounts recognised in Income Statement

As at 31st March,	GROUP	
	2026 Rs.	2025 Rs.
Interest on lease liabilities	20,739,198	9,292,923
Depreciation - Right of use assets	65,771,438	44,173,184

NOTES TO THE FINANCIAL STATEMENTS

29.3 Amounts recognised in Statement of Cash flows

As at 31st March,	GROUP	
	2026 Rs.	2025 Rs.
Repayment of rental lease liability	(32,515,356)	(45,690,908)
Repayment of lease interest	(20,739,198)	(9,292,923)

29.4 Maturity Analysis - Contractual Undiscounted Cash Flows

As at 31st March,	GROUP	
	2026 Rs.	2025 Rs.
Amount Payable within One Year	73,968,000	60,164,006
Amount Payable after One Year and Less than Five Years	221,904,000	83,539,181
Total Gross Liability	295,872,000	143,703,187

30 RETIREMENT BENEFIT OBLIGATION

30.1 Movement in Present value of Defined benefit obligation

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Balance as at 1st April	171,840,395	148,402,712	9,748,290	17,456,276
Transferred from Related Companies	-	-	-	(9,387,500)
Current Service Cost	19,143,693	17,557,387	2,678,589	1,736,873
Interest Cost	17,143,710	16,279,936	974,829	1,920,190
Actuarial (Gain) / Loss	16,956,848	(3,799,015)	3,010,363	(1,290,049)
Payments made during the year	(45,186,000)	(6,600,625)	-	(687,500)
Balance as at 31st March	179,898,646	171,840,395	16,412,071	9,748,290

30.2 Expense recognised in Statement of Profit or Loss

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Current service cost	19,143,693	17,557,387	2,678,589	1,736,873
Interest cost	17,143,710	16,279,936	974,829	1,920,190
	36,287,403	33,837,323	3,653,418	3,657,063

30.3 The amount recognised in the Other Comprehensive Income

For the year ended 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Actuarial (Gain)/ Loss	16,956,848	(3,799,015)	3,010,363	(1,290,049)
Provision made during the year	53,244,251	55,753,714	6,663,781	2,367,014

The provision for retirement benefit obligations as at 31st March 2026 is based on the actuarial valuation carried out by a professionally qualified actuary, Mr. K. Arumugam, an Actuary of the Actuarial and Management Consultant (Pvt) Ltd, using the “Projected Unit Credit” (PUC) method, the method recommended by the Sri Lanka Accounting Standard – LKAS 19 on “Employee Benefits”. The actuarial valuation involves making assumptions about discount rates and future salary increases. Due to the complexity of the valuation and the underlying assumptions and its long term nature, the defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Group and the Company have considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert.

The salary increment rate of 10% is considered appropriate to be in line with the Group’s targeted future salary increments when taking into account the current market conditions and inflation rate.

Due to the discount rate and salary increment rate assumptions used, nature of non-financial assumptions and experience of the assumptions of the Company and the Group, there is no significant impact to employment benefit liability as a result of prevailing macro-economic conditions.

A long-term treasury bond rate of 10.00% p.a. (2025 - 10.00% p.a.) has been used to discount future liabilities taking into consideration the remaining working life of eligible employees.

30.4 Breakup of actuarial (Gain)/ Loss on Defined benefit obligation are as follow

For the year ended 31st March,	Group		Company	
	2026	2025	2026	2025
	Rs.	Rs.	Rs.	Rs.
Experience adjustment	3,538,646	(2,851,540)	2,119,592	(1,418,483)
Financial Assumptions	13,418,202	(805,316)	890,771	(46,488)
Demographic adjustment	-	(142,159)	-	174,922
	16,956,848	(3,799,015)	3,010,363	(1,290,049)

30.5 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Movement by 1%

As at 31st March,	Group		Company	
	Increase	Decrease	Increase	Decrease
Discount Rate	(171,214,114)	188,757,070	(15,595,790)	17,316,817
Future salary scale	189,466,153	(109,893,722)	17,382,203	(15,521,301)

NOTES TO THE FINANCIAL STATEMENTS

30.6 The Principal Actuarial Assumptions used were as Follows:

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Expected Annual Average Salary Increment	9%-10%	9%	10%	9%
Discount Rate/Interest Rate	10%	10%	10%	10%
Staff Turnover Rate	11%-20%	11%-20%	16%	16%
Retiring Age	60 Years	60 Years	60 Years	60 Years
Weighted average retirement years	5 years - 7 Years	5 years - 7 Years	5 Years	6 Years

The Companies will continue as a going concern.

Assumption regarding future mortality are based on A 1967/70 mortality table issued by Institute of Actuaries London, United Kingdom.

30.7 Maturity Analysis

The following payments are expected on employee benefit liabilities in future years from the fund as follows,

	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Within next 12 months	46,786,054	77,005,224	2,394,258	1,549,703
Between 1 to 5 years	76,919,316	53,640,229	8,109,632	4,923,377
Between 5 to 10 years	31,406,061	26,740,724	3,519,392	2,001,562
More than 10 years	24,787,215	14,454,218	2,388,789	1,273,648
	179,898,646	171,840,395	16,412,071	9,748,290

31 STATED CAPITAL

Issued and Fully Paid

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
2,072,049,345 Ordinary Shares (2025 - 1,914,549,345)	4,107,798,096	2,532,798,096	4,107,798,096	2,532,798,096

31.1 Stated Capital Movement

As at 31st March,	No of Shares		Value (Rs.)	
	2026	2025	2026 Rs.	2025 Rs.
Balance as at 01st April	1,914,549,345	98,258,063	2,532,798,096	223,231,471
Issued During the year	157,500,000	29,378,560	1,575,000,000	2,309,566,625
Effect of the share split*	-	-	-	-
Balance as at 31st March	2,072,049,345	127,636,623	4,107,798,096	2,532,798,096
After the Share Split*	2,072,049,345	1,914,549,345	4,107,798,096	2,532,798,096

The Company issued 157,500,000 new ordinary shares during the year under review.

32 OTHER RESERVES

32.1 Special Risk Reserve

Capital Alliance PLC

Every Primary Dealer Company shall maintain a Special Risk Reserve and shall, out of the net profits after the payment of tax of each year, before any dividend is declared, transfer to the Special Risk Reserve a sum not less than 10% of such profits as per the Primary Dealer Companies (Minimum Core Capital) Direction No. 1 of 2015 issued by Central Bank of Sri Lanka.

CAL Investment Consultancy FZ LLC

Subject to the applicable regulations of the Dubai Free Zone in which the Company operates, the Company has appropriated 10% of its net profit for the year ended 31 March 2026 to a special Risk Reserve.

SPECIAL RISK RESERVE MOVEMENT

As at 31st March,	GROUP	
	2026 Rs.	2025 Rs.
Balance at the beginning of the year	2,839,074,701	2,316,818,030
Transferred to Special Risk Reserve	200,765,621	522,256,671
	3,039,840,322	2,839,074,701

32.2 Fair Value Reserve

Fair value reserve consist of the fair value gain or loss on remeasurement of Financial assets classified as Fair value through Other comprehensive Income.

32.3 Foreign Currency Translation Reserve

Foreign currency translation reserve consists of all foreign currency differences arising from the translation of the financial statements of CAL Investment Consultancy FZ LLC, CAL Securities Limited, CAL Investments Limited, CAL Bangladesh Limited in to reporting currency.

NOTES TO THE FINANCIAL STATEMENTS

33 RELATED PARTY TRANSACTIONS

According to Sri Lanka Accounting Standard (LKAS 24) 'Related Party Disclosures', Key management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Board of Directors (including Executive and Non executive Directors) have been classified as "Key Management Personnel" of the company.

33.1 Key management personnel

1) Directors

Key management personnel include persons who were directors of Capital Alliance Holding PLC at any time during the financial year.

- » Mr. D. A. De Zoysa
- » Mr. K. P. Mannakkara*
- » Mr. W. A. T. Fernando
- » Mr. C. S. R. S. Anthony
- » Mr. R. J. Arasaratnam
- » Ms. N. T. M. S. Cooray
- » Mr. T. J. William
- » Ms. K A Chellaraja
- » Ms. R S Jayasuriya
- » Ms. W T V Perera

The Board of Directors of Capital Alliance Holdings PLC (the Company) resolved on the 24th of July 2025, to appoint Mr. K P Mannakkara, Group CEO, as a Non Independent, Executive Director of the Company, effective 24th July 2025.

2) Other key management personnel (KMPs)

Other KMPs include persons with responsibility for planning, directing and controlling the activities of the Company, directly or indirectly during the financial year.

33.2 Transactions With Key Management Personnel

Loans to Directors

No loans have been given to the directors of the Company.

Key Management Personnel Compensation

Key management personnel comprise the Directors of the Company and the below benefits paid for the year.

As at 31st March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Short term employee benefits	575,026,311	455,841,386	63,040,000	12,050,000
Post-employment benefits, including contributions to defined contribution plans	29,766,000	27,017,100	-	-
	604,792,311	482,858,486	63,040,000	12,050,000

Other Transactions with Key Management Personnel

There were no material transactions with key management personnel of the Company.

Transaction With Related Companies

1) Directorships in Other Companies

“Names of the Directors of the Related Companies which had Transactions with the Company

	Capital Alliance Securities (Pvt) Limited	CAL Investment Consultancy FZ-LLC	Capital Alliance PLC	Capital Alliance Partners Ltd	Capital Alliance Investments Ltd ¹	CAL Investments Ltd, Bangladesh	CAL Bangladesh Limited	Fixed Income Investment I (Pvt) Ltd	Fixed Income Investment II (Pvt) Ltd	Finnovation (Pvt) Limited	CAL Global Pte Ltd	CAL Securities Ltd, Bangladesh
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.					
Mr. W. A. T. Fernando	-	Director	Director	-	-	-	Director	-	-	-	-	Chairman Director ²
Mr. D. A. De Zoysa	-	-	Director	-	-	-	-	-	-	-	-	-
Mr. C. S. R. S. Anthony	-	-	/ Chairman	-	-	-	-	-	-	-	-	-
Mr. R. J. Arasaratham	-	-	Director	-	-	-	-	-	-	-	-	-
Ms. N. T. M. S. Cooray	-	-	Director ³	-	-	Director ⁴	-	-	-	-	-	-
Mr. T. J. William	-	-	-	-	-	-	-	-	-	-	-	-
Ms. K. A. Chellaraja	-	-	-	-	-	-	-	-	-	-	-	-
Ms. R. S. Jayasuriya	-	-	-	-	-	-	-	-	-	-	-	-
Ms. K. A. D. Siriwardene	-	-	Director	-	-	-	-	-	-	-	-	-
Ms. A. I. C. Nandasena	-	-	Director	-	-	-	-	-	-	-	-	-
Ms. H. M. S. Perera	Director	-	-	Director	Director	Director	-	-	-	Director	-	-
Mr. A. D. Pushparajah	Director	Director	-	-	-	Director	Director	-	-	-	-	Director ⁵
Dr. M. De Zoysa	Director	-	-	Director	Director	-	-	-	-	-	-	-
Mr. K. P. Mannakkara	-	Director	-	-	Director	Director	Director	-	-	-	Director ⁶	-
Mr. U. R. Jonas	Director	-	-	Director	-	-	-	-	-	Director	-	Director ⁷
Mr. U. L. B. Ariyaratne	Director	-	-	-	-	-	-	-	-	-	-	-
Mr. N. R. Goonasekera	-	-	-	-	-	Director ⁸	-	-	-	-	-	-
Ms. W. T. V. Perera	-	-	-	-	-	-	-	-	-	-	-	-
Mr. J. M. Jayasuriya	-	-	Director	-	-	-	-	-	-	-	-	-
Mr. W. D. P. De Mel	-	-	Director ⁹	-	-	-	-	-	-	-	-	-
Mr. T. Kulasinghe	-	-	-	-	-	-	-	Director	Director	Director	-	-
Mr. M. M. Islam	-	-	-	-	-	Director	-	-	-	-	-	-
Mr. A. R. Shamsi	-	-	-	-	-	-	-	-	-	-	-	Director
Mr. S. Ahmed	-	-	-	-	-	Director	-	-	-	-	-	-
Ms. Tan Sock Kheng	-	-	-	-	-	-	-	-	-	-	Director ¹⁰	-
Mr. Nirugunan	-	-	-	-	-	-	-	-	-	-	-	-
Tiruchelvam	-	-	-	-	-	-	-	-	-	-	Director	-
Mr. M. Ahmed	-	-	-	-	-	-	-	-	-	-	-	Director

1. Managing Company of the Unit Trust Funds | 2. Resigned on 30th June 2025 | 3. Resigned on 17th November 2025 | 4. Resigned on 3rd September 2025 | 5. Resigned on 12th December 2025 |

6. Appointed on 06th November 2025 | 7. Appointed on 02nd September 2025 | 8. Appointed on 03rd September 2025 | 9. Appointed on 07th August 2025 | 10. Appointed on 06th November 2025

NOTES TO THE FINANCIAL STATEMENTS

2) Transactions with Related Parties

Company	Relationship	Nature Of Transaction	2026	2025
CAL Investment Consultancy FZ - LLC	Subsidiary Company	Intercompany Receivable	617,700	292,700
		Sale of Subsidiary	-	33,335,683
		Interest on Reverse Repo	365,595,837	2,206,833
Capital Alliance PLC	Subsidiary Company	Investment on Reverse Repo	-	2,535,206,833
		Reimbursement of Expenses	44,651,785	34,943,649
		Intercompany Receivable	1,994,015	4,685,733
		Interest Income on Loan	551,708	-
		Guarantee Fee Income	1,200,000	400,000
Capital Alliance Investments Ltd	Sub Subsidiary Company	Intercompany Receivable	3,585,183	13,528,950
		Reimbursement of overhead Expenses	66,858,260	44,659,905
		Interest Income on Loan	18,173,192	-
Capital Alliance Partners Ltd	Sub Subsidiary Company	Reimbursement of overhead Expenses	12,445,925	17,280,309
		Intercompany Receivable/ (Payable)	24,585,386	855,008
		Placement Fee Expenses	-	(4,850,000)
		Written off of Related Party Balance	-	120,000,000
		Interest Income on advances given	36,144,570	1,063,811
Capital Alliance Securities (Pvt) Ltd	Sub Subsidiary Company	Reimbursement of overhead Expenses	29,622,741	49,896,004
		Brokerage Expense	16,539,882	(2,775,686)
		Intercompany (Payable)/ Receivable	103,949,813	6,346,655
		Interest Income on Loan	-	750,162
		Preference Share Investment	325,000,000	-
Capital Alliance Securities (Pvt) Ltd	Sub Subsidiary Company	Loss on Sale of Subsidiary	-	(37,688,116)
		Reimbursement of overhead Expenses	29,622,741	49,896,004
		Brokerage Expense	16,539,882	(2,775,686)
		Intercompany (Payable)/ Receivable	103,949,813	6,346,655
		Interest Income on Loan	-	750,162
Finnovation Pvt Ltd	Sub Subsidiary Company	Preference Share Investment	325,000,000	-
		Loss on Sale of Subsidiary	-	(37,688,116)
		Interest Income on Loan	10,526,372	-
		Preference Share Investment	2,535,000,000	-
		Advances Given	-	4,575,000,000
CAL Securities Ltd, Bangladesh	Sub-Subsidiary Company	Settlement of Advances	-	(4,575,000,000)
		Reimbursement of Expenses	-	4,025,180
		Intercompany Receivable	-	22,936,050
CAL Investments Ltd, Bangladesh	Sub-Subsidiary Company	Reimbursement of Expenses	-	4,070,145
		Intercompany Receivable	-	23,040,015

Company	Relationship	Nature Of Transaction	2026	2025
CAL Bangladesh Ltd, Bangladesh	Sub-Subsidiary Company	Intercompany Receivable	-	2,850,530
Fixed Income Investment II (Pvt) Ltd	Subsidiary Company	Investment in Shares *	-	40
Capital Alliance Investment Grade Fund	Unit Trust Fund managed by Subsidiary Company	Investment in Unit Trust Fund	1,229,356,028	21,139,548
		Earning for the period	50,096,479	33,666
Capital Alliance Income Fund	Unit Trust Fund managed by Subsidiary Company	Investment in Unit Trust Fund	(27,120,832)	54,903,724
		Earning for the period	2,277,548	4,903,724
Capital Alliance Quantitative Equity Fund	Unit Trust Fund managed by Subsidiary Company	Investment in Unit Trust Fund	(340,887)	275,613
		Earning for the period	65,274	58,992
Capital Alliance High Yield Fund	Unit Trust Fund managed by Subsidiary Company	Investment in Unit Trust Fund	1,947,043,992	22,059,000
		Earning for the period	9,270,930	559,000
CAL Fixed Income Opportunity Fund	Unit Trust Fund managed by Sub-Subsidiary Company	Earning for the period	70,745,938	35,816,116
		Investment in Unit Trust Fund	413,716,136	649,687,717
CAL Money Market Fund	Unit Trust Fund managed by Sub-Subsidiary Company	Investment in Unit Trust Fund	44,648,242	-
		Earning for the period	7,289,755	-
Jetwing City (Pvt) Ltd	Related Entity with Ultimate Shareholder	Settlement of invoices	(1,465,075)	(104,300)
Jetwing Hotels Ltd	Related Entity with Ultimate Shareholder	Settlement of invoices	-	(795,801)
Jetwing Journeys (Pvt) Ltd	Related Entity with Ultimate Shareholder	Settlement of invoices	(61,950)	(389,500)
Jetwing Real Estate (Pvt) Ltd	Related Entity with Ultimate Shareholder	Settlement of invoices	(13,610,580)	(3,197,508)

34 COMMITMENTS AND CONTINGENCIES

There were no other material litigations or claims that could have a material impact on financial position of the Company or which would lead to a disclosure in the financial statements for the year ended 31 March 2026.

There were no material capital commitments as at the reporting date which require disclosures in the financial statements except below.

As at 31st March,	2026 Rs.	2025 Rs.
Assets		
Forward Purchases-Government Securities	5,453,498,500	4,636,873,000
Liabilities		
Forward Sales-Government Securities	4,061,608,487	4,456,559,485

NOTES TO THE FINANCIAL STATEMENTS

35 EVENTS AFTER THE REPORTING PERIOD

There were no material events after the date of Statement of Financial Position that require adjustments to or disclosures in the financial statements except below.

Capital Alliance PLC

Commercial paper borrowings

The Company has borrowed Rs. 2.1 Billion and Rs. 1.5 Billion from its related parties of CAL Fixed Income Opportunities Fund and CAL Five Year Closed End Fund respectively at a rate of 10% per annum till 12th June 2026. The Related Party Transactions Review Committee of the Company is of the view that the above transactions are on normal commercial terms and is not prejudicial to the interest of the Company and its minority shareholders

In terms of Section 9.14.7 of the Listing Rules of the Colombo Stock Exchange, as aggregated value of all non-current related party transactions entered in to related parties - CAL Fixed Income Opportunities Fund and CAL Five Year Closed End Fund during the 2025/26 financial year exceeds 10% Equity as per the latest audited financial statements ended 31 March 2025, the relevant announcements were made through the Colombo Stock Exchange

36 FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Equity risk
- Currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has delegated this function to the Risk Advisory Committee who develops and monitors the Company's risk management policies and report regularly to the Board of Directors on its activities. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Risk Advisory Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

36.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that would impact Group's income or the value of investment in financial instruments. The objective of managing market risk is to manage and control market risk exposures within acceptable parameters, while optimising returns.

At the reporting date the exposure to market risk of the Company's financial instruments was

Company	Carrying amount As at 31 March 2026 Rs.	Market risk measurement		Carrying amount As at 31 March 2025 Rs.	Market risk measurement	
		Trading portfolios Rs.	Non trading portfolios Rs.		Trading portfolios Rs.	Non trading portfolios Rs.
Financial assets						
Cash and cash equivalents	4,556,541	-	4,556,541	5,629,523	-	5,629,523
Trade and other receivable	56,588,113	-	56,588,113	33,978,856	-	33,978,856
Amounts due from related parties	186,043,327	-	186,043,327	74,535,641	-	74,535,641
Financial assets measured at amortised cost	-	-	-	2,535,206,833	-	2,535,206,833
Financial assets measured at FVTPL	4,616,612,953	4,616,612,953	-	845,794,332	845,794,332	-
Financial Assets measured at FVOCI	2,860,000,000	-	2,860,000,000	325,000,000	-	325,000,000
	7,723,800,935	4,616,612,953	3,107,187,981	3,820,145,185	845,794,332	2,974,350,853
Financial liabilities						
Bank Overdrafts	91,981,774	-	91,981,774	57,392,533	-	57,392,533
Financial liabilities at amortised cost	500,150,685	-	500,150,685	125,315,308	-	125,315,308
Trade and Other Payables	14,958,679	-	14,958,679	66,879,033	-	66,879,033
	607,091,139	-	607,091,139	249,586,874	-	249,586,874

At the reporting date the exposure to market risk of the Group's financial instruments was

Group	Carrying amount As at 31 March 2026 Rs.	Market risk measurement		Carrying amount As at 31 March 2025 Rs.	Market risk measurement	
		Trading portfolios Rs.	Non trading portfolios Rs.		Trading portfolios Rs.	Non trading portfolios Rs.
Financial assets						
Cash and cash equivalents	1,328,430,053	-	1,328,430,053	561,190,530	-	561,190,530
Financial assets measured at amortised cost	4,466,527,955	-	4,466,527,955	3,406,286,250	-	3,406,286,250
Trade and other receivable	4,711,718,040	-	4,711,718,040	3,329,970,452	-	3,329,970,452
Financial assets measured at FVTPL	92,021,832,893	92,021,832,893	-	103,816,703,137	103,816,703,137	-
	102,528,508,941	92,021,832,893	10,506,676,048	111,114,150,369	103,816,703,137	7,297,447,232
Financial liabilities						
Bank Overdrafts	639,473,169	-	639,473,169	402,067,475	-	402,067,475
Financial liabilities at amortised cost	77,230,542,278	-	77,230,542,278	85,982,586,274	-	85,982,586,274
Lease liability	309,065,347	-	309,065,347	118,763,535	-	118,763,535
Trade and Other Payables	2,541,885,089	-	2,541,885,089	2,262,775,474	-	2,262,775,474
	80,720,965,883	-	80,720,965,883	88,766,192,758	-	88,766,192,758

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36.1.1 Interest rate risk

Interest rate risk mainly arises as a result of the Company having interest sensitive assets and liabilities which are directly impacted by changes in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The management monitors the sensitivities on regular basis and ensures that such risks are managed on a timely manner.

Company

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows,

As at 31 March,	2026			2025		
	Variable interest rate	Fixed interest rate	Total	Variable interest rate	Fixed interest rate	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets						
Financial assets measured at amortised cost	-	-	-	-	2,535,206,833	2,535,206,833
Financial assets measured at FVTPL	4,036,134,104	-	4,036,134,104	726,959,721	-	726,959,721
Total	4,036,134,104	-	4,036,134,104	726,959,721	2,535,206,833	3,262,166,554
Financial liabilities						
Financial liabilities at amortised cost	500,150,685	-	500,150,685	125,315,308	-	125,315,308
Bank Overdrafts	91,981,774	-	91,981,774	57,392,533	-	57,392,533
Total	592,132,459	-	592,132,459	182,707,841	-	182,707,841

Group

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows

As at 31 March,	2026			2025		
	Variable interest rate	Fixed interest rate	Total	Variable interest rate	Fixed interest rate	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Financial assets						
Financial assets measured at amortised cost	-	4,466,527,955	4,466,527,955	-	3,406,286,250	3,406,286,250
Financial assets measured at FVTPL	6,847,394,993	-	6,847,394,993	1,437,142,586	-	1,437,142,586
Government Treasury Bills and Bonds	-	83,305,476,186	83,305,476,186	-	101,164,715,892	101,164,715,892
Total	6,847,394,993	87,772,004,141	94,619,399,134	1,437,142,586	104,571,002,142	106,008,144,728
Financial liabilities						
Financial liabilities at amortised cost	-	77,230,542,278	77,230,542,278	-	85,982,586,274	85,982,586,274
Bank Overdrafts	108,979,280	530,493,889	639,473,169	67,739,249	334,328,226	402,067,475
Total	108,979,280	77,761,036,167	77,870,015,447	67,739,249	86,316,914,500	86,384,653,749

The Group engages in fee-based services such as Structuring, Placements and Advisory Services which also have an indirect impact from fluctuations in interest rates. Non-traded interest rate risk is mitigated through a combination of business strategy and market risk mitigation activities.

Risk and Compliance division and Finance division circulate Management Information reports to the Risk Committee which meets regularly to make decisions on managing such financial instruments and services. The committee establishes portfolio and sensitivity limits in order to manage the positions which Risk and Compliance division monitors on a daily basis. Any exceptions are duly escalated to the Committee for corrective measures.

Stress testing calculations are performed by the Risk and Compliance Division to assess the impact of interest rate and market risk on the Group portfolio values, capital adequacy, earnings and net asset positions also flagging any potential threat to regulatory requirements/limits

36.1.1.1 Sensitivity analysis

Company

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets and liabilities Floating rate instruments expose the Company to cash flow fluctuations.

As at 31 March,	2026		2025	
	Variable-rate		Variable-rate	
	Impact on PBT	Impact on equity	Impact on PBT	Impact on equity
Increase in 100 basis points				
Financial liabilities				
Financial liabilities - Bank loans and overdrafts	(2,169,818)	(1,518,872)	(1,823,925)	(1,276,748)
	(2,169,818)	(1,518,872)	(1,823,925)	(1,276,748)
Decrease in 100 basis points				
Financial liabilities				
Financial liabilities - Bank loans and overdrafts	2,169,818	1,518,872	1,823,925	1,276,748
	2,169,818	1,518,872	1,823,925	1,276,748

Group

The following table shows the estimated impact on profitability and equity by fluctuation of interest rates assuming that all other variables remain constant on the following financial assets and liabilities Floating rate instruments expose the Group to cash flow fluctuations.

As at 31 March,	2026		2025	
	Variable-rate		Variable-rate	
	Impact on PBT	Impact on equity	Impact on PBT	Impact on equity
Increase in 100 basis points				
Financial assets/ Liabilities				
Financial liabilities - Bank loans and overdrafts	(91,679,825)	(91,679,825)	(39,839,793)	(27,887,855)
	(91,679,825)	(91,679,825)	(39,839,793)	(27,887,855)
Decrease in 100 basis points				
Financial assets/ Liabilities				
Financial liabilities - Bank loans and overdrafts	91,679,825	91,679,825	39,839,793	27,887,855
	91,679,825	91,679,825	39,839,793	27,887,855

NOTES TO THE FINANCIAL STATEMENTS

36.1.1.2 The Group has established following measures to manage the interest rate risk

Cut loss policies – Maintains a limit in terms of maximum loss a portfolio can undergo. Every trading position taken by the Company will have a cut loss limit earmarked which ensures the maximum loss the company will incur, when a trading position is capped.

Value at risk (VaR) limit – The VaR is a mathematical model which forecasts the loss the portfolio can undergo with 95% probability within a stipulated limit set by the Board of Directors. Therefore, in a worst-case scenario with 95% confidence level there is a pre-determined maximum value of money that can be lost. This is monitored daily by the Dealing team and Management.

Target Duration and Convexity – The duration of the portfolio depends on the maturity of the bills and bonds held in the portfolio. The duration of the portfolio is based on the prevailing interest rate outlook. The longer tenor bonds carry a higher interest rate risk, therefore, the average duration of holding a portfolio needs to be factored in to spread interest rate risk.

Scenario analysis limits – with the use of the data systems, Company is able to successfully gauge the market conditions based-on past data and experience in market conditions. With this, they can make an informed decision in terms of interest rate outlook.

Continuous and ongoing monitoring combined with in-depth research and statistical modelling, forms the basis of the Group's interest rate risk management strategy.

Risk Dashboards reflecting risk limits set on trading are updated daily and presented quarterly to the Board Risk Committee.

36.1.2 Equity Risk

The Group's exposure to equity risk arises from its investments in equity securities. Equity risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices.

Listed equity investments

As at 31 March,	Group		Company	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Investment in Quoted Shares	1,868,961,715	1,214,844,659	580,478,849	118,834,611
	1,868,961,715	1,214,844,659	580,478,849	118,834,611

The following table shows the estimated impact on profitability and equity by fluctuation of stock market prices at the reporting date, assuming that all other variables remain constant.

As at 31 March,	Group		Company	
	Impact on PBT		Impact on PBT	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
10% decline in stock prices	(186,896,172)	(121,484,466)	(58,047,885)	(11,883,461)
10% Increase in stock prices	186,896,172	121,484,466	58,047,885	11,883,461

36.1.2.1 Management of Equity Risk

The Group manages the equity risk through diversification and placing limits on individual and total equity portfolio investments.

The Group's equity risk management policies are; Investment decisions are based on in depth macroeconomic and industry analysis as well as research reports on group performance.

Reports on the equity portfolio are submitted to the group's senior management on a regular basis.

Adherence to the investment policy which includes stringent guidelines on risk exposures.

36.1.3 Foreign Currency Risk

The foreign currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuating due to changes in foreign exchange rates. The currencies giving rise to this risk are primarily US Dollars. Mainly Foreign currency reserve consists of impact on translation of foreign operations of the Group.

A strengthening or weakening of the LKR, as indicated below, against the USD as at 31 March 2026 would have increased/ (decreased) the equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

Group

As at 31st March 2026	Strengthening Profit/ (Loss)	Weakening Profit/ (Loss)
10% movement in USD	10,826,003	(10,826,003)

36.2 Liquidity risk

The Liquidity risk is the risk that the company may not be able to meet its present and future cash obligations without incurring unacceptable losses or impacting operations. The Company's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

36.2.1 Exposure to liquidity risk

The following are the remaining contractual maturities of financial assets and financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

Group

As at 31 March 2026	Total carrying amount	Contractual cash flows Total	12 months or less	1 - 2 years	2 - 9 Years
Assets					
Investment in Government Treasury Bills	39,340,813,554	39,340,813,554	39,340,813,554	-	-
Investment in Government Treasury Bonds	43,964,662,632	43,964,662,632	27,822,517,658	1,966,520,210	14,175,624,764
Investment in Unit Trust Funds	6,847,394,993	6,847,394,993	6,847,394,993	-	-
Investment in Shares	1,868,961,715	1,868,961,715	1,868,961,715	-	-
"Securities Purchase under Resale Agreements"	1,914,745,432	1,914,745,432	1,914,745,432	-	-
Other Financial Assets Measured at Amortised Cost	2,551,782,523	2,551,782,523	1,277,689,892	-	1,274,092,630
Trade and Other Receivables	4,711,718,040	4,711,718,040	4,711,718,040	-	-
	101,200,078,887	101,200,078,887	83,783,841,283	1,966,520,210	15,449,717,394
Liabilities					
Securities Sold under Repurchase Agreements	67,862,668,630	67,862,668,630	67,862,668,630	-	-
Short Term Loan	9,167,982,522	9,167,982,522	9,167,982,522	-	-
Commercial Papers	199,891,125	216,493,694	216,493,694	-	-
Trade and Other Payables	2,541,885,089	2,541,885,089	2,541,885,089	-	-
Lease Liability	309,065,347	295,872,000	73,968,000	73,968,000	147,936,000
Bank Overdrafts	639,473,169	639,473,169	639,473,169	-	-
	80,720,965,883	80,724,375,104	80,502,471,104	73,968,000	147,936,000

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2025	Total carrying amount	Contractual cash flows Total	12 months or less	1 - 2 years	2 - 9 Years
Investment in Government Treasury Bills	26,913,638,682	26,913,638,682	26,913,638,682	-	-
Investment in Government Treasury Bonds	74,251,077,210	74,251,077,210	17,109,626	1,916,520,210	72,317,447,374
Investment in Unit Trust Funds	1,437,142,586	1,437,142,586	1,437,142,586	-	-
Investment in Shares	1,214,844,659	1,214,844,659	1,214,844,659	-	-
Securities Purchase under Resale Agreements	3,406,286,250	3,406,286,250	1,158,087,752	-	-
Trade and Other Receivables	3,329,970,452	3,329,970,452	3,329,970,452	-	-
	110,552,959,839	110,552,959,839	34,070,793,757	1,916,520,210	72,317,447,374
Securities Sold under Repurchase Agreements	81,875,927,290	81,875,927,290	81,875,927,290	-	-
Short Term Loan	3,888,731,715	3,888,731,715	3,888,731,715	-	-
Commercial Papers	217,927,269	217,927,269	217,927,269	-	-
Trade and Other Payables	2,262,775,474	2,262,775,474	2,262,775,474	-	-
Lease Liability	118,763,535	143,703,187	60,164,006	51,330,180	32,209,001
Bank Overdrafts	402,067,475	402,067,475	402,067,475.0	-	-
	88,766,192,758	88,791,132,410	88,707,593,229	51,330,180	32,209,001

Company

As at 31 March 2026	Total carrying amount	Contractual cash flows Total	12 months or less	1 - 2 years	2 - 9 Years
Assets					
Trade and Other Receivables	56,588,113	56,588,113	56,588,113	-	-
Amounts Due from Related Entities	186,043,327	186,043,327	186,043,327	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,860,000,000	2,860,000,000	-	-	2,860,000,000
Investment in Unit Trust Funds	4,036,134,104	4,036,134,104	4,036,134,104	-	-
Investment in Shares	580,478,849	580,478,849	580,478,849	-	-
	7,719,244,394	7,719,244,394	4,859,244,394	-	2,860,000,000
Liabilities					
Short Term Loan	500,150,685	500,150,685	500,150,685	-	-
Trade and Other Payables	14,958,679	14,958,679	14,958,679	-	-
Bank Overdrafts	91,981,774	91,981,774	91,981,774	-	-
	607,091,139	607,091,139	607,091,139	-	-

As at 31 March 2025	Total carrying amount	Contractual cash flows Total	12 months or less	1 - 2 years	2 - 9 Years
Assets					
Trade and Other Receivables	33,978,856	33,978,856	33,978,856	-	-
Amounts Due from Related Entities	74,535,641	74,535,641	74,535,641	-	-
Financial Assets Measured at Amortised Cost	2,535,206,833	2,535,206,833	2,535,206,833	-	-
Investment in Unit Trust Funds	726,959,721	726,959,721	726,959,721	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	325,000,000	325,000,000	-	-	325,000,000
Investment in Shares	118,834,611	118,834,611	118,834,611	-	-
	3,814,515,662	3,814,515,662	3,489,515,662	-	325,000,000
Liabilities					
Short Term Loan	125,315,308	125,315,308	125,315,308	-	-
Trade and Other Payables	66,879,033	66,879,033	66,879,033	-	-
Bank Overdrafts	57,392,533	57,392,533	57,392,533	-	-
	249,586,874	249,586,874	249,586,874	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

36.2.2 Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company has access to approved short-term financing facilities from commercial banks, if required.

The Group monitors the level of expected cash inflows on Investments and other receivables together with expected cash outflows on Repurchase agreements and other payables and it is estimated that the maturity of financial assets as at the reporting date would occur in sufficient quantity and timing, given the historical trends, and currently available information which would enable the Company to meet its contractual obligations.

Group has taken following measures to manage the liquidity risk of the Group

Maintaining a diversified funding base and appropriate contingency facilities.

Carrying a portfolio of highly liquid assets that can be readily converted into cash to protect against unforeseen short-term interruptions to cash flows.

Monitoring liquidity ratios and carrying out stress-testing of the Company's liquidity position.

Regular reviews cash flow projections.

Availability of stand by overdraft facility to be used in the event of an emergency.

Unutilised bank facilities

As at 31st March 2026 the Company had approved Unutilised bank facilities amounting to Rs. 625Mn (2025: Rs. 625 Mn).

36.3 Credit risk

Credit risk is the risk that counter-party will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities and from its financing activities including any deposits with banks and financial institutions and other financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

36.3.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date based on the concentration of the risk by sector was;

Group

As at 31 March 2026	Cash and Cash Equivalents	Financial Assets measured at FVTPL	Financial Assets measured at Amortised Cost	Trade and Other Receivables	Financial Assets measured at Fair Value through Other Comprehensive Income
	Rs.	Rs.	Rs.	Rs.	
Government	-	83,305,476,186	1,914,745,432	-	-
Corporate	-	8,716,356,707	1,374,147,425	-	2,860,000,000
Other	1,328,430,053	-	1,177,635,098	4,711,718,040	-
Total	1,328,430,053	92,021,832,893	4,466,527,954	4,711,718,040	2,860,000,000
As at 31st March 2025					
Government	-	101,164,715,892	3,406,286,250	-	-
Corporate	-	2,651,987,245	-	-	-
Other	561,190,530	-	-	3,329,970,452	-
Total	561,190,530	103,816,703,137	3,406,286,250	3,329,970,452	-

Company

As at 31 March 2026	Cash and Cash Equivalents	Financial Assets measured at FVTPL	Financial Assets measured at Amortised Cost	Trade and Other Receivables	Financial Assets measured at Fair Value through Other Comprehensive Income
	Rs.	Rs.	Rs.	Rs.	
Corporate	-	4,616,612,953	-	-	-
Other	4,556,541	-	-	56,588,113	-
Total	4,556,541	4,616,612,953	-	56,588,113	-
As at 31st March 2025					
Corporate	-	845,794,332	2,535,206,833	-	325,000,000
Other	5,629,523	-	-	33,978,856	-
Total	5,629,523	845,794,332	2,535,206,833	33,978,856	325,000,000

36.3.2 Management of Credit Risk

Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures and compliance with regulatory and statutory requirements.

Establishing the authorisation structure for the approval and renewal of facilities

Limiting concentrations of exposure to counterparties, industries, and by issuer, credit rating band and market liquidity.

Providing advice, guidance and specialist skills to business units to promote best practice throughout the Company in the management of credit risk.

Continually reviewing and assessing credit risk.

36.3.3 Impairment

The aging of Trade and Other receivables at the reporting date was;

Group

As at 31 March,	2026		2025	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Not past due	893,528,441	-	1,411,701,589	-
Past due 0 - 30 days	2,121,502,358	-	1,250,347,408	-
Past due 31 - 90 days	901,976,733	-	500,990,324	-
More than 90 days	337,455,450	19,905,953	128,341,003	34,945,384
	4,254,462,982	19,905,953	3,291,380,324	34,945,384

Company

As at 31 March,	2026		2025	
	Gross Rs.	Impairment Rs.	Gross Rs.	Impairment Rs.
Not past due	-	-	24,314,262	-
Past due 0 - 30 days	45,000,000	-	-	-
Past due 31 - 90 days	-	-	-	-
More than 90 days	1,151,910	1,151,910	2,407,211	2,407,211
	46,151,910	1,151,910	26,721,473	2,407,211

Based on historical defaults, the Group believes that impairment allowance is adequate in respect of above Trade and Other Receivables. Further Sufficient collateral cover is available in respect of credit extended to debtors of Capital Alliance Securities (Pvt) Limited.

Credit risk on financial investments

The Company and Group are also exposed to credit risk through its financial investments. The credit worthiness of the financial instruments are assessed using the credit ratings assigned to each security. This rating provides the Company the indication of the financial stability of the investment.

Credit risk exposure of Cash at Bank is depicted in the below table using the carrying values as at the Statement of Financial Position Date.

NOTES TO THE FINANCIAL STATEMENTS

Institution	Rating	Rating Agency	Group		Company	
			2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Commercial Banks	A+	Fitch	489,710,485	243,751,522	-	103,164
	A	Fitch	-	19,143,175	3,987,452	3,020,636
	A-	Fitch	36,805,759	-	507,757	-
	AA-	Fitch	184,186,889	145,548,901	40,650	1,875,977
	BBB+	Fitch	573,934	629,746	20,682	629,746
	AA	ECRL	35,572,520	17,066,195	-	-
	A+	ECRL	93,196,037	3,457,185	-	-
	BBB+	ECRL	2,201,387	-	-	-
	AA	CRAB	-	93,082,574	-	-
	AAA	CRAB	375,968,210	476,097	-	-
	AA	CRISL	7,436,050	2,831,351	-	-
	AAA	CRISL	100,579,764	-	-	-
	AA-	CRISL	14,888	11,834	-	-
	B2	BRAC	-	32,951,712	-	-
Central Bank of Sri Lanka			1,978,507	2,189,594	-	-
			1,328,224,429	561,139,886	4,556,541	5,629,523

Credit risk exposure of Financial assets is depicted in the below table using the carrying values as at the Statement of Financial Position Date.

Institution	Rating	Rating Agency	Group		Company	
			2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Commercial Banks	AAA	CRISL	804,291,142	403,277,260	-	-
	A-	Fitch	22,320,768	-	-	-
Financial Institutions	BBB	LRA	100,054,795	-	-	-
	BBB-	Fitch	261,931,534	-	-	-
	A-	Fitch	1,012,161,096	-	-	-
	B+	Fitch	200,000,000	-	-	-
	B+	LRA	151,023,189	-	-	-
Central Bank of Sri Lanka			1,914,745,432	3,003,008,990	-	2,535,206,833
			4,466,527,956	3,406,286,250	-	2,535,206,833

The above has been derived as per the Company's risk management policy of using the carrying values in the Statement of Financial Position. This does not include the exposure that would arise in the future as a result of changes in values. Further there were no any other off balance sheet exposures which would give arise to credit risk.

Collateral held for Reverse Repurchase Investments

Reverse repurchase investments which fall under government securities is backed by treasury bills and bonds which are provided as collateral. The management monitors the market value of the collateral, requests additional collateral when needed and performs an impairment valuation when applicable. Details of collateral held for reverse repurchase agreements and the haircut policy are disclosed in note 18.1.1.

Risk response to credit risk on financial investments

The Company's investment policy prohibits non-rated investments, unless specifically authorised.

Regularly review credit worthiness of counterparties and take necessary actions if required.

Appropriate actions are implemented when the investments are expected to be high credit risk.

Clearly defined single party exposure limits based on the credit ratings and regulatory requirements and monitoring them closely at different levels.

36.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's involvement with financial instruments, including processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the business reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group's standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of the transaction.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Development of business contingency plans.
- Training and professional development
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with Group's internal controls and procedures is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business units with summaries submitted to the Audit Committee.

37 CAPITAL MANAGEMENT

The gearing ratio at the reporting date is as follows.

As at 31st March,	GROUP		COMPANY	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Interest bearing borrowing	77,870,015,447	86,384,653,749	592,132,459	182,707,841
(-) Cash and Cash Equivalents	(1,328,430,053)	(561,190,530)	(4,556,541)	(5,629,523)
	76,541,585,393	85,823,463,219	587,575,918	177,078,318
Equity	22,019,707,299	20,594,501,187	8,972,270,478	5,495,031,318
Gearing ratio	3.48	4.17	0.07	0.03

NOTES TO THE FINANCIAL STATEMENTS

38 FINANCIAL INSTRUMENTS

38.1 FAIR VALUE OF ASSETS AND LIABILITIES

Accounting classification and fair value of financial instruments

Financial instruments measured subsequently on the ongoing basis either at fair value or amortised cost. The summary of significant accounting policies describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The group measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurement.

Level - 1

Financial instruments that are measured in whole or in part by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level - 2

Financial instruments that are measured at fair value on a recurring basis. As market quotes generally are not readily available or accessible for these securities, their fair value measures are determined using relevant information generated by market transactions involving comparable securities.

Level - 3

Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

GROUP

As at 31st March 2026	Note	Fair Value			Total
		Level 1	Level 1	Level 1	
Financial Assets measured Fair value Through Profit or Loss					
Investment in Government Treasury Bills	16	39,340,813,554	-	-	39,340,813,554
Investment in Government Treasury Bonds	16	43,964,662,632	-	-	43,964,662,632
Investment in Unit Trust Funds	16	-	6,847,394,993	-	6,847,394,993
Investment in Quoted Shares	16	1,868,961,715	-	-	1,868,961,715
		85,174,437,901	6,847,394,993	-	92,021,832,893
Financial Assets measured at Amortised Cost					
Securities Purchased Under Resale Agreements	18	-	-	1,914,745,432	1,914,745,432
Placement with Bank (Term Deposits)	18	-	-	1,108,266,161	1,108,266,161
Trade and Other Receivables	19	-	-	4,711,718,040	4,711,718,040
		-	-	7,734,729,633	7,734,729,633
Financial Liabilities not Measured at Fair Value					
Securities Sold Under Repurchase Agreements	26	-	-	67,862,668,630	67,862,668,630
Short Term Loan	26	-	-	9,167,982,522	9,167,982,522
Commercial Paper Liabilities	26	-	-	199,891,125	199,891,125
Trade and Other Payables	27	-	-	2,541,885,089	2,541,885,089
Bank Overdrafts	15.2	-	-	639,473,169	639,473,169
		-	-	80,411,900,536	80,411,900,536

GROUP

As at 31st March 2025	Note	Fair Value			Total
		Level 1	Level 1	Level 1	
Financial Assets measured Fair value Through Profit or Loss					
Investment in Government Treasury Bills	16	26,913,638,682	-	-	26,913,638,682
Investment in Government Treasury Bonds	16	74,251,077,210	-	-	74,251,077,210
Investment in Unit Trust Funds	16	-	1,437,142,586	-	1,437,142,586
Investment in Quoted Shares	16	1,214,844,659	-	-	1,214,844,659
		102,379,560,551	1,437,142,586	-	103,816,703,137
Financial Assets measured Fair value Through Other Comprehensive Income					
Investment in Unquoted Shares	17	-	-	-	-
		-	-	-	-
Financial Assets measured at Amortised Cost					
Securities Purchased Under Resale Agreements	18	-	-	3,003,008,990	3,003,008,990
Placement with Bank (Term Deposits)	18	-	-	403,277,260	403,277,260
Trade and Other Receivables	19	-	-	3,329,970,452	3,329,970,452
		-	-	6,736,256,702	6,736,256,702
Financial Liabilities not Measured at Fair Value					
Securities Sold Under Repurchase Agreements	26	-	-	81,875,927,290	81,875,927,290
Short Term Loan	26	-	-	3,888,731,715	3,888,731,715
Commercial Papers	26	-	-	217,927,269	217,927,269
Trade and Other Payables	27	-	-	2,262,775,474	2,262,775,474
Bank Overdrafts	15.2	-	-	402,067,475	402,067,475
		-	-	88,647,429,223	88,647,429,223

COMPANY

As at 31st March 2026	Note	Fair Value			Total
		Level 1	Level 1	Level 1	
Financial Assets measured Fair value Through Profit or Loss					
Investment in Unit Trust Funds	16	-	4,036,134,104	-	4,036,134,104
Investment in Quoted Shares	16	580,478,849	-	-	580,478,849
		580,478,849	4,036,134,104	-	4,616,612,953
Financial Assets measured Fair value Through Other Comprehensive Income					
Investment in preference shares	17	-	-	2,860,000,000	2,860,000,000
		-	-	2,860,000,000	2,860,000,000
Financial Assets measured at Amortised Cost					
Trade and Other Receivables	19	-	-	56,588,113	56,588,113
Amount Due from Related Entities	20.1	-	-	186,043,327	186,043,327
Financial Assets Measured at Amortised Cost	18	-	-	-	-
		-	-	242,631,440	242,631,440
Financial Liabilities not Measured at Fair Value					
Short Term Loan	26	-	-	500,150,685	500,150,685
Trade and Other Payables	27	-	-	14,958,679	14,958,679
Bank Overdrafts	15.2	-	-	91,981,774	91,981,774
		-	-	607,091,139	607,091,139

NOTES TO THE FINANCIAL STATEMENTS

COMPANY

As at 31st March 2025	Note	Fair Value			Total
		Level 1	Level 1	Level 1	
Financial Assets measured Fair value Through Profit or Loss					
Investment in Unit Trust Funds	16	-	726,959,721	-	726,959,721
Investment in Quoted Shares	16	118,834,611	-	-	118,834,611
		118,834,611	726,959,721	-	845,794,332
Financial Assets measured Fair value Through Other Comprehensive Income					
Investment in preference shares	17	-	-	325,000,000	325,000,000
		-	-	325,000,000	325,000,000
Financial Assets measured at Amortised Cost					
Trade and Other Receivables	19	-	-	33,978,856	33,978,856
Amount Due from Related Entities	20.1	-	-	74,535,641	74,535,641
Financial Assets Measured at Amortised Cost	18	-	-	2,535,206,833	2,535,206,833
		-	-	2,643,721,330	2,643,721,330
Financial Liabilities not Measured at Fair Value					
Short Term Loan	26	-	-	125,315,308	125,315,308
Trade and Other Payables	27	-	-	66,879,033	66,879,033
Bank Overdraft	27	-	-	57,392,533	57,392,533
		-	-	249,586,874	249,586,874

38.2 Financial Instruments - Statement of Financial Position

As at 31st March	Note	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
Financial Assets					
Financial assets measured at Fair Value Through Profit or Loss					
Investment in Government Treasury Bills	16	39,340,813,554	26,913,638,682	-	-
Investment in Government Treasury Bonds	16	43,964,662,632	74,251,077,210	-	-
Investment in Unit Trust Funds	16	6,847,394,993	1,437,142,586	4,036,134,104	726,959,721
Investment in Quoted Shares	16	1,868,961,715	1,214,844,659	580,478,849	118,834,611
		92,021,832,893	103,816,703,137	4,616,612,953	845,794,332
Financial Assets Measured at Fair Value Through OCI					
Investment in Unquoted Share Investments	17	-	-	2,860,000,000	325,000,000
		-	-	2,860,000,000	325,000,000
Financial Assets Measured at Amortised Cost					
Investment in Corporate Debt	18	100,054,795	-	-	-
Investment in Debenture	18	1,274,092,630	-	-	-
Securities Purchase under Resale Agreements	18	1,914,745,432	3,003,008,990	-	2,535,206,833
Placement with Bank	18	1,177,635,098	403,277,260	-	-
Trade and other receivables	19	4,711,718,040	3,329,970,452	56,588,113	33,978,856
Amount due from related Entities	20	-	-	186,043,327	74,535,641
		9,178,245,994	6,736,256,702	242,631,440	2,643,721,330
		101,200,078,887	110,552,959,839	7,719,244,394	3,814,515,662

	Note	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
Non Financial Assets					
Equipment	25	101,448,214	140,221,323	59,667	186,681
Intangible assets	23	158,454,511	160,655,969	1,002,811	2,060,064
Right-of-use Assets	24	353,047,963	109,600,246	-	-
Investment in Subsidiaries	21	-	-	1,897,304,850	1,897,304,850
Income Tax Recoverable	13.3	-	-	-	9,656,037
Advances, Deposits, Prepayments and Other	19				
Receivables		485,146,780	199,228,299	12,224,314	26,941,625
Deferred Tax Assets	13.7	38,242,540	47,467,193	4,751,809	2,708,355
		1,412,604,276	657,173,030	1,915,343,452	1,938,857,612
Cash and cash equivalents	15.1	1,328,430,053	561,190,530	4,556,541	5,629,523
Total Assets		103,941,113,216	111,771,323,399	9,639,144,386	5,759,002,797

	Note	Group		Company	
		2026	2025	2026	2025
		Rs.	Rs.	Rs.	Rs.
Financial Liabilities					
Other Financial Liabilities					
Financial Liability Measured at Amortised Cost	26	77,230,542,278	85,982,586,274	500,150,685	125,315,308
Trade & Other Payables	27	2,541,885,089	2,262,775,474	14,958,672	66,879,033
Bank Overdrafts	15.2	639,473,169	402,067,475	91,981,774	57,392,533
		80,411,900,536	88,647,429,223	607,091,132	249,586,874
Other non financial liabilities					
Lease Liability	29	309,065,347	118,763,535	-	-
Retirement Benefit Obligations	30	179,898,646	171,840,395	16,412,071	9,748,290
Income Tax Payable	13.3	946,065,617	2,164,313,288	38,734,390	-
Other Payables		74,475,771	74,475,771	4,636,315	4,636,315
		1,509,505,381	2,529,392,989	59,782,776	14,384,605
Total Liabilities		81,921,405,917	91,176,822,212	666,873,907	263,971,479

NOTES TO THE FINANCIAL STATEMENTS

39. COMPARATIVE FIGURES

For better presentation and comparability, certain line items in the statement of cash flows have been reclassified during the current year. Such reclassifications have no impact on the reported profit, total assets, total liabilities, equity or net cash flows.

Below table summarises the re-classifications made to the comparative figures in the statement of Cash flows.

Extract of statement of cash flows for the year ended 31 March 2025,

Line item	Group			Company		
	Previously Reported Rs.	Adjustments Rs.	Re-classified Rs.	Previously Reported Rs.	Adjustments Rs.	Re-classified Rs.
Cash flows from operating activities						
Profit before income tax	6,626,435,683	-	6,626,435,683	4,599,394,420	-	4,599,394,420
Operating profit/ (loss) before changes in operating activities	(1,680,730,270)	-	(1,680,730,270)	(94,556,132)	-	(94,556,132)
Interest income received	-	9,598,627,115	9,598,627,115	-	4,020,806	4,020,806
Interest expenses paid	-	(5,494,899,122)	(5,494,899,122)	-	(31,261,489)	(31,261,489)
Lease interest paid	-	(9,292,923)	(9,292,923)	-	-	-
Net cash generated from/ (used in) operating activities)	(4,743,956,770)	4,094,435,070	(649,521,700)	(2,644,387,642)	(27,240,683)	(2,671,628,325)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income received	9,598,627,115	(9,598,627,115)	-	4,020,806	(4,020,806)	-
Net cash generated from/ (used in) investing activities)	9,136,510,414	(9,598,627,115)	(462,116,701)	4,529,674,044	(4,020,806.00)	4,525,653,238
CASH FLOWS FROM FINANCING ACTIVITIES						
Interest expense paid	(5,494,899,122)	5,494,899,122	-	(31,261,489)	31,261,489	-
Lease rental paid	(54,983,831)	9,292,923	(45,690,908)	-	-	-
Net cash generated from/ (used in) financing activities	(5,204,949,138)	5,504,192,045	299,242,907	(1,948,449,057)	31,261,489	(1,917,187,568)
Net increase / (decrease) in cash and cash equivalents	(812,395,494)	-	(812,395,494)	(63,162,655)	-	(63,162,655)
Cash and cash equivalents at the end of the year	159,123,055	-	159,123,055	(51,763,010)	-	(51,763,010)

40. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR**Reconciliation of movement of liabilities to cash flows arising from financing activities**

Group	2026				
	Term loans	Commercial papers	Lease liabilities	Equity	NCI
Balance as at 1 April 2025	3,888,731,715	217,927,269	118,763,535	18,065,589,266	2,528,911,921
Term loan obtained during the year	14,196,834,836	-	-	-	-
Term loan settled during the year	(8,938,731,715)	-	-	-	-
Lease rental Paid	-	-	(32,515,356)	-	-
Shares Issued	-	-	-	1,575,000,000	-
Dividend Paid	-	-	-	(2,072,049,345)	(737,931,712)
Investment in commercial papers	-	3,009,344,257	-	-	-
Settlement of commercial papers	-	(3,027,380,400)	-	-	-
Total changes from financing cashflows	5,258,103,121	(18,036,143)	(32,515,356)	(497,049,345)	(737,931,712)
Effect of changes in foreign exchange rates	-	-	(7,641,278)	-	-
Other changes	-	-	230,458,446	2,347,226,084	312,961,085
Liability related interest					
Interest expenses	480,396,771	51,745,925	20,739,198	-	-
Interest paid	(459,249,085)	(51,745,925)	-	-	-
Lease interest paid	-	-	(20,739,198)	-	-
Balance as at 31 March 2026	9,167,982,522	199,891,125	309,065,347	19,915,766,005	2,103,941,294

Group	2025				
	Term loans	Commercial papers	Lease liabilities	Equity	NCI
Balance as at 1 April 2024	478,234,603	215,425,604	115,012,852	16,590,937,102	2,917,351,867
Term loan obtained during the year	11,659,000,000	-	-	-	-
Term loan settled during the year	(8,262,234,603)	-	-	-	-
Lease rental Paid	-	-	(45,690,908)	-	-
Shares Issued	-	-	-	-	-
Dividend Paid	-	-	-	(2,042,187,568)	(940,229,184)
Net Issue / (settlement) of Commercial Papers	-	2,501,665	-	-	-
Total changes from financing cashflows	3,396,765,397	2,501,665	(45,690,908)	(2,042,187,568)	(940,229,184)
Effect of changes in foreign exchange rates	-	-	(15,831,050)	-	-
Other changes	-	-	65,272,641	3,516,839,732	551,789,238
Interest expenses	247,460,252	71,916,495	9,292,923	-	-
Interest paid	(233,728,537)	(71,916,495)	-	-	-
Lease interest paid	-	-	(9,292,923)	-	-
Balance as at 31 March 2025	3,888,731,715	217,927,269	118,763,535	18,065,589,266	2,528,911,921

Company	2026		2025	
	Term loan	Equity	Term loan	Equity
Balance as at 1 April	125,315,308	5,495,031,318	-	2,938,601,767
Term loan obtained during the year	500,000,000	-	1,700,000,000	-
Term loan settled during the year	(125,315,308)	-	(1,575,000,000)	-
Shares Issued	-	1,575,000,000	-	-
Dividend Paid	-	(2,072,049,345)	-	(2,042,187,568)
Total changes from financing cashflows	374,684,692	(497,049,345)	125,000,000	(2,042,187,568)
Other changes	-	3,974,288,505	-	4,598,617,119
Interest expenses	28,067,048	-	28,688,296	-
Interest paid	(27,916,363)	-	(28,372,988)	-
Balance as at 31 March 2025	500,150,685	8,972,270,478	125,315,308	5,495,031,318

NOTES TO THE FINANCIAL STATEMENTS

41. SEGMENT REPORTING

Information about reportable segments

The Group's activities have been segregated into four different segments (Primary Dealer, Corporate Finance, Asset Management, Stock Broking) based on the business activities that each unit is engaged for the purpose of reviewing the operating results of the Group as well as to make decisions about resource allocation.

Segment information is presented in respect of the Group's business segments as per SLFRS 8. The Group's primary format for segment reporting is based on business segments.

The business segments are determined based on the Group's management and internal reporting structure.

For the Year ended 31 March,	Primary Dealer		Corporate Finance		Asset Management		Stock Broking		Eliminations/ Unallocated		Consolidated	
	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
Interest Income	8,976,861,611	8,874,890,409	461,594	568,265	104,064,362	81,057,749	341,933,710	214,664,592	260,729,846	165,398,626	9,684,051,123	9,336,579,641
Interest Expenses	(6,527,601,316)	(5,854,922,371)	(2,223,725)	(1,549,194)	(121,830,858)	(3,871,713)	(142,003,886)	(85,559,018)	(2,972,661)	(22,891,707)	(6,796,632,446)	(5,968,794,003)
Net Interest Income	2,449,260,295	3,019,968,038	(1,762,131)	(980,929)	(17,766,496)	77,186,036	199,929,824	129,105,574	257,757,185	142,506,919	2,887,418,677	3,367,785,638
Fee Based Income	-	-	265,034,469	147,797,492	1,780,238,321	1,361,000,661	1,407,990,293	843,786,221	72,684,811	180,942,663	3,525,947,893	2,533,527,037
Net Gain from Trading	2,964,702,344	6,096,133,620	-	-	120,874,883	37,578,107	10,335,082	27,644,190	339,595,475	494,118,495	3,435,507,784	6,655,474,412
Net Gain / (Loss) from remeasurement of Financial Assets at FVTPL	(1,769,367,457)	(1,554,535,633)	-	-	1,267,914	8,523,061	(778,289)	219,031	(4,228,171)	27,569,279	(1,773,106,003)	(1,518,224,262)
Direct Expenses	(57,605,559)	(42,681,085)	-	-	-	-	(204,839,151)	(15,778,349)	38,211,278	-	(224,233,432)	(58,459,434)
Other Income	37,497,806	38,796,027	1,393,472	120,344,063	11,761,595	498,088	37,181,987	4,527,675	19,049,777	(95,025,828)	106,884,636	69,140,025
Net Operating Income	3,624,487,429	7,557,680,967	264,665,810	267,160,626	1,896,376,217	1,484,785,953	1,449,819,746	989,504,342	723,070,354	750,111,528	7,958,419,556	11,049,243,416
Operating Expenses	(771,002,456)	(1,186,566,285)	(205,328,764)	(265,052,908)	(942,306,443)	(588,509,022)	(630,330,160)	(640,398,194)	(1,194,220,728)	(1,742,281,324)	(3,743,188,551)	(4,422,807,733)
Operating Profit/ (Loss)	2,853,484,974	6,371,114,682	59,337,046	2,107,718	954,069,774	896,276,931	819,489,586	349,106,148	(471,150,373)	(992,169,796)	4,215,231,005	6,626,435,683
Share of Profit/ (Loss) from Equity accounted Investee (Net of Tax)	-	-	-	-	-	-	-	-	(18,738,133)	21,070,301	(18,738,133)	-
Profit Before Tax	2,853,484,974	6,371,114,682	59,337,046	2,107,718	954,069,774	896,276,931	819,489,586	349,106,148	(489,888,507)	(971,099,495)	4,196,492,872	6,626,435,683
Income Tax Expenses	(852,636,909)	(1,950,520,698)	(14,680,044)	4,777,353	(301,926,462)	(279,273,933)	(276,364,605)	(143,698,421)	(53,964,818)	(29,899,680)	(1,499,572,838)	(2,398,615,379)
Profit for the year	2,000,848,065	4,420,593,984	44,657,002	6,885,071	652,143,312	617,002,998	543,124,980	205,407,727	(543,853,325)	(1,000,999,175)	2,696,920,034	4,227,820,304
Other Comprehensive Income/ (Expense) for the year	(3,877,272)	2,309,471	1,212,272	(532,453)	39,404,112	(2,325,102)	37,375,736	1,784,506	(110,847,712)	(160,427,756)	(36,732,864)	(159,191,334)
Total Comprehensive Income/ (Expense) for the year	1,996,970,793	4,422,903,455	45,869,274	6,352,618	691,547,425	614,677,896	580,500,716	207,192,233	(654,701,037)	(1,161,426,931)	2,660,187,170	4,068,628,970
Total Assets	84,277,998,343	105,356,533,738	250,533,735	103,538,178	4,695,709,472	1,615,777,409	5,466,007,959	3,049,693,510	9,250,863,708	1,645,780,564	103,941,113,216	111,771,323,399
Total Liabilities	73,155,571,870	90,960,391,914	156,076,220	54,949,935	3,182,207,862	800,767,169	3,683,060,359	1,834,082,159	1,744,489,607	(2,473,368,965)	81,921,405,917	91,176,822,212
Net Assets	11,122,426,473	14,396,141,824	94,457,515	48,588,243	1,513,501,610	815,010,240	1,782,947,600	1,215,611,351	7,506,374,101	4,119,149,529	22,019,707,299	20,594,501,187
Cash flows from operating activities	5,669,011,901	6,118,097,614	4,819,741	(53,873,398)	202,774,583	810,541,124	(1,017,038,067)	(1,118,869,764)	(654,701,037)	(1,161,426,931)	2,629,653,548	(649,521,700)
Cash flows from investing activities	(1,169,593)	(7,471,254)	1,367,438	(2,618,091)	(2,210,200,427)	(4,983,067)	(510,596,694)	578,740,731	9,250,863,708	1,645,780,564	(6,186,075,763)	(462,116,701)
Cash flows from financing activities	(5,271,203,805)	(6,427,428,757)	(5,598,505)	(5,217,084)	2,321,645,536	(833,399,373)	751,893,647	433,411,572	1,744,489,607	(2,473,368,965)	4,008,642,851	299,242,907
Net cash flow generated during the year	396,638,503	(316,802,397)	588,674	(61,708,573)	314,219,691	(27,841,316)	(775,741,114)	(106,717,461)	7,506,374,101	4,119,149,529	452,220,636	(812,395,494)

SHAREHOLDERS' INFORMATION

TOP 20 SHAREHOLDERS

Name of the Shareholder/ Company		As at 31st March 2026	
		No. of Shares	%
1	Ashthi Holdings (Private) Limited	557,044,530	26.88%
2	Jetwing Travels (Pvt) Ltd	547,846,320	26.44%
3	Seylan Bank PLC/W.A.T.Fernando	400,855,830	19.35%
4	Ms. N.T.M.S. Cooray	175,310,640	8.46%
5	Nations Trust Bank PLC/ Kanishke Piyanga Mannakkara	50,000,000	2.41%
6	Hatton National Bank PLC/Phantom Investments (Private) Limited	34,854,334	1.68%
7	Mr. A.D. Pushparajah	33,378,720	1.61%
8	Ms. H.M.S. Perera	32,596,560	1.57%
9	Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	27,195,700	1.31%
10	Mr. T. Kulasinghe	22,985,025	1.11%
11	Mr. U.R. Jonas	13,800,375	0.67%
12	Seylan Bank PLC/A.C.Senanka	11,576,645	0.56%
13	Mr. K.P. Mannakkara	7,381,925	0.36%
14	Mr. S.D.K. Fernando	5,507,565	0.27%
15	Mr. L.H.S.L. Silva	5,239,160	0.25%
16	Senkadagala Finance PLC/A.D.Rayen	5,178,290	0.25%
17	J.B. Cocoshell (Pvt) Ltd	5,065,300	0.24%
18	Mr. H.G.R. De Silva	5,050,260	0.24%
19	Mr. A. Vijayaram	4,060,260	0.20%
20	Commercial Bank of Ceylon PLC/W. Jinadasa	3,822,120	0.18%
		1,948,749,559	94.04%

ANALYSIS OF SHAREHOLDING BY SIZE AS AT 31ST MARCH 2026

Shareholding	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1-1,000	2,342	883,312	0.04	4	840	0	2,346	884,152	0.04
1,001-10,000	2,411	11,835,517	0.57	0	0	0	2,411	11,835,517	0.57
10,001-100,000	1,254	35,804,057	1.73	3	90,000	0	1,257	35,894,057	1.73
10,001-1,000,000	176	44,769,586	2.16	3	458,032	0.02	179	45,227,618	2.18
Over 1,000,000	34	1,978,208,001	95.48	0	0	0	34	1,978,208,001	95.48
Total	6,217	2,071,500,473	99.98	10	548,872	0.02	6,227	2,072,049,345	100

ANALYSIS OF SHAREHOLDING BY SIZE AS AT 31ST MARCH 2025

Shareholding	Resident			Non-Resident			Total		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
1-1,000									
1,001-10,000									
10,001-100,000	1	558,420	0.03				1	558,420	0.03
10,001-1,000,000									
Over 1,000,000	18	1,906,490,925	99.58	1	7,500,000	0.39	19	1,913,990,925	99.97
Total	19	1,907,049,345	99.61	1	7,500,000	0.39	20	1,914,549,345	100

SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDING BY INVESTOR CATEGORY

Category	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Individual	5,992	401,299,427	19.37	17	802,158,495	41.90
Institutional	235	1,670,749,918	80.63	3	1,112,390,850	58.10
Total	6,227	2,072,049,345	100	20	1,914,549,345	100

Category	31st March 2026			31st March 2025		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Resident	6,217	2,071,500,473	99.98	19	1,907,049,345	99.61
Non-Resident	10	548,872	0.02	1	7,500,000	0.39
Total	6,227	2,072,049,345	100	20	1,914,549,345	100

SHAREHOLDING OF THE DIRECTORS/ CHIEF EXECUTIVE OFFICER

Name of the Director	Designation	Number of Shares	
		31st March 2026	31st March 2025
Mr. D A De Zoysa	Chairman	Nil	Nil
Mr. W A T Fernando	Director	400,855,830	400,855,830
Mr. K P Mannakkara*	Group Chief Executive Officer	57,381,925	57,236,370
Mr. R J Arasaratnam**	Director	N/A	Nil
Ms. N T M S Cooray	Director	175,310,640	175,310,640
Mr. T J William	Director	Nil	Nil
Mr. C S R S Anthony	Director	Nil	Nil
Ms. R S Jayasuriya	Director	Nil	Nil
Ms. W T V Perera	Director	Nil	Nil
Ms. K A Chellaraja	Director	Nil	Nil

* Appointed as an Executive Director with effect from 24th July 2025

**Resigned from the Board with effect from 17th November 2025

INVESTOR INFORMATION

Price Information	31-Mar-26
Market price per share (Rs.)	15.00
Highest price per share during the year (Rs.)	20.00
Lowest price per share during the year (Rs.)	14.00
Disclosure in accordance with the Section 7.6 (iv) of the CSE Listing Rules	
Float adjusted market capitalisation as at 31st March 2026 (Rs.)	4,583,165,946
Public holding percentage	14.75%
Number of public shareholders	6,213

BASIS OF RATIOS

Ratio	Definition
Earnings per share (EPS) (Rs.)	Profit/loss attributable to ordinary shareholders / Average number of shares
Net assets value per share (NAV) (Rs.)	Total shareholders' equity / Number of shares as at reporting date
Dividend per Share (Rs.)	Total Gross Dividend (Proposed) / Number of Shares as at the reporting date
Dividend yield (%)	Dividend per ordinary share / Market price per share X 100
Dividend cover (Times)	Profit/loss attributable to ordinary shareholders / Total dividend paid to shareholders
Dividend payout (%)	Total dividend paid to shareholders / Profit/loss attributable to ordinary shareholders X 100
Earnings yield (%)	Earnings per share / Market price per share x 100
Return on equity (ROE) (%)	Profit/loss attributable to ordinary shareholders/ Average shareholders' equity X 100
Return on asset (ROA) (%)	Profit/loss attributable to ordinary shareholders / Average total assets X 100
Debt to equity (Times)	Borrowings / Total shareholders' equity
Cost to income ratio (%) (Excluding VAT on FS)	Total operating cost without VAT on financial services / Total operating income X 100
Net interest margin (%)	Net interest income / Average total assets x 100
Interest cover (times)	Profit before interest and tax expense / Interest expenses
Net profit margin (%)	Profit / loss for the year / Income
Operating profit margin (%)	Operating profit / loss for the year/ Income

GLOSSARY OF FINANCIAL TERMINOLOGY

A

Accounting Policies

The specific principles, bases, conventions, rules, and practices adopted by an entity in preparing and presenting financial statements.

Accrual Basis

Recognising the effects of transactions and other events when they occur without waiting for receipt or payment of cash or cash equivalent.

Actuarial Gain/ (Loss)

The differences between an employer's actual pension payments relative to the expected payments.

Amortisation

The systematic allocation of the depreciable amount of an intangible asset over its useful life.

Amortised Cost

The amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and minus any reduction for impairment or uncollectability.

Asset

A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

Asset Backed Securitisations

Short or long-term financial securities which are backed by financial assets and also referred to Securitisations.

B

Basis Points

A standard measure for interest rates and other percentages in finance. One basis point equals 1/100th of 1%, or 0.01%.

C

Capital Employed

The sum of shareholders' equity and debt capital denoting the total amount of capital used in the acquisition of profits.

Capital Reserves

The profits of a company which (for various reasons) are not regarded as distributable to shareholders' as dividends. These include gains on the revaluation of capital assets.

Cash Equivalents

Short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Commercial Paper

A short term unsecured promissory note issued in the open market by quoted public companies representing an obligation of the issuing entity.

Contingent Liabilities

Conditions or situations at the reporting date, the financial effects of which are to be determined by future events which may or may not occur.

Control

The power over an investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its powers over the investee to affect the amount of the investor's returns.

Corporate Governance

The Process by which corporate entities are governed to promote stakeholder interest. Shareholders exert collective pressure on management to ensure equitable decision making on matters that may affect the value of their holdings and base their response on statutory requirements or on so called "Best Practice".

Cost Method

Cost method is a method of accounting for an investment whereby the investment is recognised at cost. The investor recognises

income from the investment only to the extent that the investor receives distributions from accumulated profits of the investee arising after the date of acquisition.

Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.

Credit rating

An evaluation of a corporate's ability to repay its obligations or likelihood of not defaulting, carried out by an independent rating agency.

Credit risk

The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

D

Debt Market

This also refers to as the bond market. A financial market where participants can issue new fixed income securities,

known as the primary market, or buy and sell fixed income securities, known as the secondary market.

Deferred Tax

Sum set aside in the financial statements that may become payable/receivable in a financial year other than the current financial year. It arises because of temporary differences between tax rules and accounting conventions.

De-recognition

Removal of a previously recognised financial asset or financial liability from an entity's Statement of Financial Position.

Derivatives

A derivative is a financial instrument or other contract, the value of which changes in response to some underlying variable (e.g. an interest rate), that has an initial net investment smaller than would be required for other instruments that have a similar response to the variable, and that will be settled at a future date.

Dividend Cover

Profit after tax divided by gross dividends. This measures the number of times the dividend is covered by distributable profits.

Depreciation

The systematic allocation of the depreciable amount of an asset over its useful life.

Dividend Payout

It is the percentage of earnings paid to shareholders in dividends.

Dividend yield

Dividend earned per share as a percentage of its market value.

E**Earnings Per Share**

Profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue.

Effective Interest Method

A method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

Events Occurring After the Reporting Period

Significant events that occur between the reporting date and the date on which financial statements are authorised for issue.

Equity Instrument

Equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities

Expected Credit Losses

Expected credit losses are a probability – weighted estimate of credit losses over the expected life of the financial instrument.

- » 12 Month expected Credit Losses: The portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

- » Lifetime Expected Credit Losses: The expected credit losses that result from all possible default events over the expected life of a financial instrument.

F**Fair Value**

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial Assets Recognised through profit or loss -measured at fair value

These financial assets are held within a business model with the objective to sell financial assets.

Financial Assets at Amortised cost

These financial assets are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. These assets are tested for impairment.

Financial Assets - fair value through other comprehensive income

These financial assets are held within a business model with the objective to both hold financial assets in order to collect contractual cash flows and sell financial assets.

Financial Asset or Financial Liability at Fair Value through Profit or Loss

Financial asset or financial liability that is held for trading or upon initial recognition designated by the entity as 'at fair value through profit or losses'.

Financial Instrument

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Fixed Income Securities

Securities whose current income is fixed or based on some underlying index.

These are also known as debt securities since they represent a fixed obligation of the company unlike equity, which pays dividends only when the company makes profits.

G**Gross Dividends**

The portion of profit inclusive of tax withheld distributed to shareholders.

Guarantee

A promise made for a fee by a third party (Guarantor), who is not a party to the contract between two others, that the guarantor will be liable if one of the parties fails to fulfil the contractual obligations.

I**Impairment**

This occurs when recoverable amount of an asset is less than its carrying amount.

Impairment Allowances

Impairment allowances are provisions held on the Statement of Financial Position as a result of the raising of a charge against profit for the incurred loss. An impairment allowance may either be identified or unidentified and individual (specific) or collective respectively.

Intangible Asset

An identifiable non-monetary asset without physical substance held for use in the production/supply of goods/ services or for rental to others or for administrative purposes.

Interest Rate Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest Cover

A ratio showing the number of times interest charges is covered by earnings before interest and tax.

Initial Public Offering (IPO)

The first sale of a company's shares to the public, leading to the listing of its shares on the stock market.

Issue

The issuance of new shares for sale to public by a company that has already held its Initial Public Offering (IPO).

GLOSSARY OF FINANCIAL TERMINOLOGY

K

Key Management Personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

L

Lease

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

Liabilities

Debt or obligations of a business.

Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Listed

A company or its financial securities which are admitted for trading on a stock exchange.

Loans and Receivables

Non derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those intended to sell immediately or in the near term and designated as fair value through profit or loss or available for sale on initial recognition.

M

Market Value per Share

The price at which an ordinary share is transacted in the stock market.

Market Capitalisation

The market value of a company at a given date obtained by multiplying the share price by the number of issued shares.

Materiality

The relative significance of a transaction or an event, the omission or misstatement of which could influence the decisions of users of financial statements.

N

Net Assets Per Share (NAV)

Net assets (total assets fewer total liabilities) divided by the number of shares issued.

O

Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

P

Policy Rates

The rates that are used by a central bank to implement or signal its monetary policy stance. The Central Bank of Sri Lanka uses the Standing Deposit Facility Rate and Standing Lending Facility Rate as policy rates.

Primary Dealer

A dealer in government securities licensed by the Central Bank of Sri Lanka.

R

Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related Party Transactions

A transfer of resources, services, or obligations between related parties, regardless of whether a price is charged or not.

Repurchase Agreement

An agreement (Repo for short) is the simultaneous sale and repurchase of a security on different settlement dates.

Reverse Repurchase Agreement

An agreement (Reverse Repo for short) is the simultaneous purchase and resale of a security on different settlement dates.

S

Shareholders' Funds

The Shareholders funds consist of issued and fully paid ordinary share capital plus capital and revenue reserves.

Special Risk Reserve (SRR)

A sum equivalent to 10% of profit after tax of a primary dealer has been transferred to Special Risk Reserve in accordance with the Directions issued by the Central Bank of Sri Lanka.

T

Transaction Costs

Incremental costs which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

U

Unlisted

A financial instrument that is not traded on a stock exchange. This also refers to a company that has not been admitted to the stock exchange or acquired 'listed' status.

Y

Yield Curve

The graphical depiction of the relationship between the yield on Treasury securities and the corresponding period.

NOTES

[illegible]

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of Capital Alliance Holdings PLC (the Company) will be held as a virtual meeting on 29th September 2026 at 11.00 a.m., to conduct the following business at an AGM, as set out in the detailed Notice of Meeting available on the Corporate website of the Company via <https://cal.lk/capital-alliance-holdings-plc-annual-general-meeting-2025-26/>

AGENDA

1. Notice of Meeting.
2. To receive and consider the Report of the Board of Directors and the Statements of Accounts for the year ended 31st March 2026 together with the Report of the Auditors thereon.
3. To re-elect as a Director, Mr. D A De Zoysa, who will be retiring from the Board by rotation in terms of Articles 78 & 79 of the Articles of Association of the Company.
4. To re-elect as a Director, Mr. T J William, who will be retiring from the Board by rotation in terms of Articles 78 & 79 of the Articles of Association of the Company.
5. To re-elect as a Director, Ms. R S Jayasuriya, who will be retiring from the Board by rotation in terms of Articles 78 & 79 of the Articles of Association of the Company.
6. To re-appoint Messrs. KPMG Sri Lanka, Chartered Accountants, as the Auditors' of the Company for the ensuing year and authorise the Directors to determine their remuneration.
7. To authorise the Board of Directors to determine contributions to charities and other donations for the year 2026/27.

**BY ORDER OF THE BOARD OF DIRECTORS OF
CAPITAL ALLIANCE HOLDINGS PLC**



**S S P CORPORATE SERVICES (PRIVATE) LIMITED
SECRETARIES**

Colombo, Sri Lanka.
31st August 2026

Notes:

1. A shareholder entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
2. A form of proxy accompanies this notice.

The Annual Report of the Company is available at:

- 1) Corporate Website of the Company - Annual Report for Year Ended 31st March 2026 via <https://cal.lk/capital-alliance-holdings-plc-annual-report-2025-26/>
- 2) Website of the CSE via <https://www.cse.lk/company-profile?symbol=CALH.N0000>
- 3) Shareholders may also access the Annual Report and Financial Statements on their mobile phones by scanning the following QR code



FORM OF PROXY

I/We
 please indicate full name) holder of NIC No of
being a member/*members of Capital
 Alliance Holdings PLC hereby appoint: Mr/Ms
 (please indicate full name) holder of NIC No of or
 failing him/her

Mr. D A De Zoysa	of Colombo or failing him
Mr. W A T Fernando	of Colombo or failing him
Ms. N T M S Cooray	of Colombo or failing her
Mr. C S R S Anthony	of Colombo or failing him
Mr. T J William	of Colombo or failing him
Ms. R S Jayasuriya	of Colombo or failing her
Ms. W T V Perera	of Colombo or failing her
Ms. K A Chellaraja	of Colombo or failing her
Mr. K P Mannakkara	of Colombo

as my/*our Proxy to represent me/*us and to vote as indicated below on my/*our behalf at the Annual General Meeting of the Company to be held on 29th September 2026 and at any adjournment thereof and at every poll which may be taken in consequence of the aforesaid Meeting.

	For	Against
1. To receive and consider the Report of the Directors and the Statements of Accounts for the year ended 31st March 2026 together with the Report of the Auditors thereon.	☐	☐
2. To re- elect Mr. D A De Zoysa as a Director, who will be retiring from the Board by rotation in terms of Articles 78 & 79 of the Articles of Association of the Company.	☐	☐
3. To re- elect Mr. T J William, as a Director who will be retiring from the Board by rotation in terms of Articles 78 & 79 of the Articles of Association of the Company	☐	☐
4. To re- elect Ms. R S Jayasuriya, as a Director who will be retiring from the Board by rotation in terms of Articles 78 & 79 of the Articles of Association of the Company.	☐	☐
5. To re-appoint Messrs. KPMG Sri Lanka, Chartered Accountants, as the Auditors of the Company for the ensuing year and authorise the Directors to determine their remuneration	☐	☐
6. To authorise the Board of Directors to determine contributions to charities and other donations for the year 2026/27.	☐	☐

As witness my/our hand set hereto this day of Two Thousand and Twenty Six

Signature

Note:

Instructions as to completion are given below. Please delete the words which are not applicable and mark 'X' in the appropriate cages to indicate your instructions as to voting.

INSTRUCTIONS AS TO COMPLETION OF FORM OF PROXY

1. Kindly perfect the Form of Proxy by filling in legibly your full name, NIC no., address, instructions as to voting and by signing and filling in the date of signature in the space provided.
2. Please indicate with a 'X' in the cages provided how your proxy is to vote on the Resolutions. If no indication is given, the Proxy in his/her discretion may vote as he/ she thinks fit.
3. To be valid, the completed Form of Proxy should be deposited at the Registered Office of the Company, 6th Floor, M2M Veranda Offices, No. 34, W. A. D. Ramanayake Mawatha, Colombo 02, not less than 48 hours before the time appointed for holding the Meeting.
4. If the Shareholder is a Company or a body corporate, a form of Corporate Representation executed under the Common Seal in accordance with the Articles of Association or the Constitution should be submitted.
5. Where the Form of Proxy is signed under a Power of Attorney (POA) which has not been registered with the Company, the original POA together with a photocopy of same or a copy certified by a Notary Public must be lodged with the Company along with the Form of proxy.
6. In case of Margin Trading Accounts (Slash Accounts), the Form of Proxy should be signed by the respective authorised Fund Manager/ Banker with whom the account is maintained.

CORPORATE INFORMATION

NAME OF THE COMPANY

Capital Alliance Holdings PLC

REGISTERED OFFICE

6th Floor, M2M Veranda Offices,
No. 34, W. A. D. Ramanayake Mawatha,
Colombo 02.

Tel: +94 11 231 7777

Fax: +94 11 231 7788

E Mail: info@cal.lk

URL: www.cal.lk

LEGAL FORM

A public Limited Liability Company
Incorporated and domiciled in Sri Lanka
in 2003 and registered under Companies
Act No. 7 of 2007. Date of Incorporation:
20 March 2003

COMPANY REGISTRATION NO.

PB1456

TAXPAYER IDENTIFICATION NUMBER (TIN)

134010657

ACCOUNTING YEAR END

31st March 2026

PRINCIPAL ACTIVITIES

The primary activity of the Group is that of
being a full-service investment bank.

STOCK EXCHANGE LISTING

The Ordinary Shares of the Company are
listed on the Main Board of the Colombo
Stock Exchange. Stock Exchange code for
the Company share is "CALH"

BOARD OF DIRECTORS

Mr. D A De Zoysa | Chairman,
Non-Executive Non-Independent Director
Mr. K P Mannakkara | Group CEO,
Non-Independent Executive Director
Mr. W A T Fernando | Non-Executive
Non-Independent Director
Ms. N T M S Cooray | Non-Executive
Non-Independent Director
Mr. T J William | Non-Executive
Non-Independent Director

Ms. R S Jayasuriya | Non-Executive
Independent Director

Mr. C S R S Anthony | Non-Executive
Non-Independent Director

Ms. K A Chellaraja | Non-Executive
Independent Director

Ms. W T V Perera | Non-Executive
Independent Director

AUDIT COMMITTEE

Ms. W. T. V. Perera | Chairperson,
Non-Executive Independent Director
Mr. C. S. R. S. Anthony | Non-Executive
Non-Independent Director

Ms. K.A. Chellaraja | Non-Executive
Independent Director

RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

Ms. K.A. Chellaraja | Chairperson,
Non-Executive Independent Director
Mr. C. S. R. S. Anthony | Non-Executive
Non-Independent Director
Ms. W.T.V. Perera | Non-Executive
Independent Director

RISK ADVISORY COMMITTEE

Mr. T. J. William | Chairman,
Non-Executive Non-Independent Director
Mr. C. S. R. S. Anthony | Non-Executive
Non-Independent Director
Mr. D. A. De Zoysa | Non-Executive Non-
Independent Director

REMUNERATION COMMITTEE

Ms. K.A. Chellaraja | Chairperson,
Non-Executive Independent Director
Ms. R. S. Jayasuriya | Non-Executive
Independent Director
Mr. D. A. De Zoysa | Non-Executive
Non-Independent Director

NOMINATION AND GOVERNANCE COMMITTEE

Ms. R. S. Jayasuriya | Chairperson,
Non-Executive Independent Director
Ms. K.A. Chellaraja | Non-Executive
Independent Director
Mr. D. A. De Zoysa | Non-Executive
Non-Independent Director

EXTERNAL AUDITORS

Messrs. KPMG, Chartered Accountants
32A, Sir Mohamed Macan Marker
Mawatha
Colombo 03
Sri Lanka
Tele: +94 11 542 6426
Fax: +94 11 244 5872
+94 11 244 6058

INTERNAL AUDITORS

Messrs. Ernst & Young Rotunda Towers,
No. 109, Galle Road, Colombo 03
Sri Lanka
Tele: +94 11 246 3500
Fax: +94 11 269 7369

COMPANY SECRETARIES & REGISTRARS

SSP Corporate Services (Pvt) Limited
101, Inner Flower Road
Colombo 03 Sri Lanka
Tele: +94 11 257 3894
Fax: +94 11 257 3609
Email: sspsec@sltnet.lk

BANKERS

Seylan Bank PLC
Sampath Bank PLC
Union Bank of Colombo PLC
Nations Trust Bank PLC
Commercial Bank of Ceylon PLC
DFCC Bank PLC
National Development Bank PLC
Bank of Ceylon
Hatton National Bank PLC

LAWYERS

F J & G de Saram Attorneys-at-Law
216, de Saram Place Colombo 10
Sri Lanka
Tele: +94 11 460 5100
Fax: +94 11 471 8220
+94 11 2677 863
Email: fjgdesaram@fjgdesaram.com



www.cal.lk



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