Capital Alliance Holdings PLC (CAL) Signs Agreement to Acquire 51% Stake in Asia Frontier Capital

Dear Investors and Friends,

I am pleased to share an important development regarding Asia Frontier Capital.

Capital Alliance Holdings PLC (CAL), headquartered in Colombo, Sri Lanka, through its Singapore-based subsidiary CAL Global Pte. Ltd., has signed an agreement to acquire a 51% stake in Asia Frontier Capital Ltd. The transaction remains subject to regulatory approvals, including approval from the Hong Kong Securities and Futures Commission (SFC).

This proposed partnership brings together AFC's established frontier-market investment platform with CAL's presence across Sri Lanka, Bangladesh and Singapore. It is intended to strengthen our ability to provide international investors with access to frontier markets, while expanding the platform and resources behind AFC's existing funds.

Importantly, AFC's investment team, investment process and approach to managing client portfolios remain unchanged. I will continue to lead AFC as CEO and Fund Manager, and our focus remains on delivering disciplined, locally informed frontier-market investing.

Established in 2000 and listed on the Colombo Stock Exchange, CAL provides investment banking, asset and wealth management, fixed income, stockbroking and research services. It manages assets exceeding USD 1.2 billion across Sri Lanka and Bangladesh. For more information, you can visit CAL's website at: www.cal.lk.

The full press announcement is on the next page.

Please do not hesitate to contact me or our Marketing Director Peter de Vries at the email addresses below if you have any questions.

th@asiafrontiercapital.com

pdv@asiafrontiercapital.com

Kind regards,

Thomas Hugger, CEO

Asia Frontier Capital

Announcement:

CAL Signs Agreement to Acquire 51% Stake in Hong Kong-Based Fund Manager, Asia Frontier Capital, Subject to Regulatory Approvals

Capital Alliance Holdings PLC (CAL), through its wholly owned Singapore-based subsidiary, CAL Global Pte. Ltd., has signed an agreement to acquire a 51% stake in Asia Frontier Capital Ltd. (AFC), a Hong Kong-based fund manager specialising in frontier equity markets. The proposed acquisition remains subject to regulatory approvals, including approval from the Securities and Futures Commission of Hong Kong, before completion.

The proposed acquisition marks a pivotal step in CAL's international expansion, extending its geographical footprint across multiple markets and strengthening its expertise in frontier-market investing. It will connect CAL's operations in Sri Lanka, Bangladesh and Singapore with AFC's established investment platform in Hong Kong, alongside teams on the ground in Vietnam, Uzbekistan and Iraq. This expanded presence will strengthen the group's ability to combine local market insight with international investor access.

The partnership will also broaden CAL's platform for channelling international capital into frontier markets while expanding access to investment opportunities beyond its existing markets.

Commenting on the proposed acquisition, Kanishke Mannakkara, Group CEO of CAL, said, "Frontier markets offer some of the most compelling growth stories in the world, yet they remain hard for international investors to reach. This partnership changes that. It also takes us into three more frontier markets, giving us a platform to build a deeper presence there over time, and into Hong Kong, one of the world's most important financial hubs. Together with AFC, we will serve as a conduit for international capital to access frontier markets and, just as importantly, for investors in our markets to access opportunities across the frontier and beyond. Thomas and his team have built a respected franchise over more than a decade, and we are delighted to be building the next chapter together."

Founded in 2013 by Thomas Hugger, AFC manages in excess of USD 125 million in Assets Under Management for investors across Europe, Asia and North America. Its portfolio includes the multi-country AFC Asia Frontier Fund and dedicated funds investing in Vietnam, Iraq and Uzbekistan. AFC has also been a long-standing investor in Sri Lankan and Bangladeshi equities, establishing a track record in both markets and recognition within the local investment community as a pioneering and insightful international investor.

Welcoming the partnership, Thomas Hugger, Founder and CEO of AFC, said, "Frontier markets reward local knowledge and patience, and CAL has both. Our investors will continue to benefit from the same approach to managing their money, with the same team, investment process and independence in our decisions. What changes is the strength of the platform behind us. CAL brings deep research and data capabilities in markets where information is scarce, long-standing expertise in frontier fixed income, and relationships with investors across South Asia. The backing of a listed, well-governed group also strengthens our compliance, technology and operating platform as we continue to grow. After more than a decade of building AFC, I can think of no better partner for the next chapter."

Established in 2000 and listed on the Colombo Stock Exchange, CAL provides investment banking, asset and wealth management, fixed income, stockbroking and research services. It manages assets exceeding USD 1.2 billion across Sri Lanka and Bangladesh.

Following completion of the proposed acquisition, CAL and AFC intend to explore expanding AFC's product range, including frontier fixed income and country-specific strategies, subject to applicable regulatory requirements.

(Ends)