



LTL HOLDINGS

LTL Holdings Ltd.

77, Level 1, Park Street, Colombo 2, Sri Lanka.
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PB No: 00274329

ADDENDUM TO THE PROSPECTUS OF LTL HOLDINGS LIMITED DATED AUGUST 29, 2024

With reference to the Prospectus dated August 29, 2024 submitted to the Colombo Stock Exchange (CSE) in relation to the initial public offering of LTL Holdings Limited and in line with the CSE letter dated September 7, 2024, please be informed that the Prospectus has been amended with the inclusion of the following additional disclosures. In light of such additional disclosures, the Company in consultation with the CSE has decided to amend the Issue Opening Date, Issue Closing Date and Earliest Issue Closing Date as set forth below.

The contents of this addendum shall be read and construed to be part and parcel of the said Prospectus dated August 29, 2024. The said Prospectus shall stand modified by and to the extent of the contents of this addendum.

- (1) Section 5.9 – Opening and Closing of the Subscription List (Page 23), Inner Cover Page of the Prospectus, Issue at a Glance on Page (viii), Application Forms and instructions pages of the Application Forms

The Issue Opening Date, Issue Closing Date and Earliest Issue Closing Date in Section 5.9 - Opening and Closing of the Subscription List on Page 23, Inner Cover Page of the Prospectus, Issue at a Glance section on Page (viii), Application Forms and instructions pages of the Application Forms shall be revised as follows:

Issue Opening Date	-	September 13, 2024
Issue Closing Date	-	October 4, 2024
Earliest Issue Closing Date	-	September 13, 2024

The date referred to in Section 6.3.2 – Bank Guarantees – Resident Sri Lankan Investors (Page 33) of the Prospectus and the validity period of Bank Guarantees mentioned in the Instructions Page of the Application Forms that is determined based on the Issue Opening Date shall be revised as October 13, 2024.



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Section 7.14.3 – Litigations, Disputes and Contingent Liabilities (Page 69)

The following disclosures be and are hereby inserted to the Prospectus after the 3rd paragraph of Section 7.14.3 - Litigations, Disputes and Contingent Liabilities on Page 69.

“Though there is no significant impact on the Company’s financial position or the profitability, the following are the on-going as well as the withdrawn cases filed by third parties in respect of the Company and/or its subsidiaries and/or existing shareholders of LTL Holdings Limited (excluding CEB) and cases disclosed as per the request of the CSE by its letter dated September 7, 2024.

1. Case No. CA/Writ/249/2024

A certain group of individuals (none of whom has any connection to the Company at present), by the above mentioned Writ Application, first sought a primary relief by way of an issuance of writ of mandamus compelling the Auditor-General to carry out an audit of the books of account of the Company from its inception to verify, among others, whether they were entitled to shares of Teckpro Investments Ltd and Peradev Ltd which are companies owned by the majority of employees of the Company. The Company has not received formal notice from the Court of Appeal in respect of this case. The Company received a copy of the petition from the Petitioners’ lawyer. Although the Petitioners have originally had made the Company a Respondent in this case, a copy of an amended petition filed by the Petitioners lawyers on July 17, 2024 which the Company received revealed that the Company has been removed from the list of respondents, and the Auditor General and the Attorney General now remain as the only respondents. Accordingly, the Company is no longer a Respondent in this case. Several Respondents have filed written objections against the amending of the petition and Company also supported those objections. The Court of Appeal has fixed dates to September 18, 2024 for determining the objections filed. This case does not, in essence, have any relevance whatsoever to the Company as the ultimate objective of the Petitioners in the context of this case appears to be receive shares in Teckpro Investments Ltd and Peradev Ltd.

2. Cases CA/Writ/158/2020 and CA/Writ/159/2020

LTL Staff Union (a registered Trade Union referred to in Section 7.7 of the Prospectus) filed a Writ Application No. CA/Writ/159/2020 in the Court of Appeal seeking relief through an application in the nature of Writs of Certiorari, and Prohibition, under and in terms of Article 140 of the Constitution of the Democratic Socialist Republic of Sri Lanka to prevent the Auditor-General from acting as the Auditor of the Company and



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in its subsidiaries. Simultaneously, 16 individual office bearers of LTL Staff Union separately filed case No. CA/Writ/158/2020 in the Appeals Court seeking the same relief. Both cases are now dismissed. The following reasons amongst others were cited by the Petitioners in both cases which potentially would affect their employment security:

- (a) that the Sinhala version of Article 154 of the Constitution, which prevailed over the English version in the context of inconsistency between the two version, does not provide any authority to the Auditor-General to Audit the Company and its subsidiaries; and*
- (b) the negative impact on its ability to obtain funding for Group's overseas operations from foreign banks if the Audit Opinion on its Annual Financial Statements are not provided by an international audit firm and further cited that such financial institutions would consider Auditor-General as not being independent of certain shareholders of the Company.*

The Court of Appeal granted an Interim Order preventing the Auditor-General from auditing any of the LTL Group Companies including the Company on July 10, 2020 and this order was extended subsequently on several occasions. In October 2021, the Parliament approved the 20th Amendment to the Constitution, in which the conflict that prevailed between the Sinhala and English versions of Article 154 of the Constitution was removed and the companies in which more than 50% shares were held by a Public Corporations were brought under the purview of the Auditor-General. Following above development, on August 31, 2022 the lawyers appearing for the Petitioners agreed for the vacating of the Interim Order by the Court of Appeal, only in respect of the Company. The two cases continued in respect of the subsidiaries of the Company along with the Interim Order imposed on the Auditor-General. Based on a subsequent motion filed, Petitioners moved the Court to withdraw the applications (supported by an annexure with the relevant Cabinet Memorandums and the Cabinet Decision) since the Cabinet of Ministers on December 19, 2022, consequent to a Memorandum submitted by the Minister of Power and Energy, had approved a new offer for shares of the Company through a public offering of 5.5 million new shares (equivalent to 1,584,077,000 new shares after subsequent sub-divisions of shares) in LTL Holdings Limited. Under those circumstances the Petitioners had submitted, that the holding of the Ceylon Electricity Board in the Company would be reduced to less than 50% and hence the Petitioners had stated in the said motion, that in view of this development and supervening circumstances, it was no longer necessary or relevant for Petitioners to pursue the applications in both cases. Both cases were thus dismissed.



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3. *Case No. CHC/13/2023/CO*

LTL received the letter dated November 17, 2022 from the National Audit Office informing that the Auditor-General wishes to carry out the audit of the Company. A meeting of the directors of the Company was held on January 9, 2023 and the Auditor-General's letter was tabled for the consideration of the Board. The Board was of the opinion that following the 20th Amendment to the Constitution, it is lawful for the Auditor-General to audit the Company given the restraining order of the Court of Appeal with regard to the Company (under cases CA/Writ/158/2020 and CA/Writ/159/2020) had been removed. The Board also decided, pursuant to obtaining legal advice, that the appointment and removal of the auditors of the Company could be decided only by the shareholders. Therefore, an Extraordinary General Meeting of the shareholders of the Company was convened as per the provisions of Article 33(4) of the Articles of Association of the Company. In keeping with the decision of the Board taken on January 9, 2023, notice of an Extraordinary General Meeting of the Company scheduled for 3 p.m. on February 16, 2023 was sent to all shareholders of the Company, on January 31, 2023. The Extraordinary General Meeting was convened for the shareholders to consider and adopt, if they think fit, the resolution which read as "It is hereby resolved that the shareholder appointed auditor of the Company per Article 33(4) of the Articles of Association of the Company be replaced by the Auditor General." However, the Company and its Directors were served with an Interim Order issued by the Commercial High Court in proceedings numbered CHC 13/2023/CO which has been filed by Peradev Limited, a shareholder of the Company, restraining the Company and its Directors from proceeding with the aforesaid resolution seeking to replace the auditor appointed by the shareholders in terms of Section 154 of the Companies Act (read with Article 33 (4) of the Articles of Association of the Company) with the Auditor General. The said interim restraining order is still in force. Company wishes to move to the Court to dismiss this case in the next hearing since the Company is not an Auditee Entity under the provisions of National Audit Act of 2018 as per its current shareholding.

It has been brought to the attention of LTL Holdings Limited that the following Fundamental Rights Applications in which the Company has purportedly been made a Respondent:

1. *Fundamental Rights case bearing No. 198/2024, filed on July 11, 2024*

CSE by their letter dated September 07, 2024 has requested a disclosure on the above case in which CSE has stated that the Company is a Respondent. As of now, formal notice thereof has not been issued to the Company by the Supreme Court. The Company



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however has received a copy of the Petition from the Petitioners lawyers and would take appropriate action in terms of the law to address any issues raised in the case and defend itself.

2. *Fundamental Rights case bearing No. 254/2024, filed on September 05, 2024*

CSE by their letter dated September 07, 2024 has requested a disclosure on the above case in which CSE has stated that the Company is a Respondent. As of now, formal notice thereof has not been issued to the Company by the Supreme Court. The Company however has received a copy of the Petition from the Colombo Stock Exchange (which has also been named as a Respondent) and would take appropriate action in terms of the law to address any issues raised in the case and defend itself.

The Company confirms that it has no knowledge of any other litigation filed against the Company.”

By Order of the Board of Directors of LTL Holdings Limited,

Director

Director

Date: 08/09/2024