

Daily News Business

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South Korea to assist vocational training in SL



Minister Professor G. L. Peiris with Deputy Prime Minister and Minister of Korea Yoo Eun-hae

Minister of Foreign Affairs Professor G. L. Peiris held discussions with Deputy Prime Minister and Minister of Education Yoo Eun-hae of the Republic of Korea in Seoul.

Minister Peiris mentioned the comprehensive economic cooperation which existed between the two countries and laid emphasis especially on foreign development assistance being carried out by KOICA and the Exim Bank of the Republic of Korea.

Minister G.L. Peiris also commended the benefits obtained by Sri Lanka through these programmes. The Minister of Foreign Affairs talked about the 22,000 Sri Lankans employed in South Korea, mentioning the popularity of study courses targeting Korean Language Proficiency within Sri Lanka.

Responding to what Minister Peiris said, Deputy Prime Minister Yoo Eun-hae said that they will consider providing extensive assistance for initiatives in the field of the vocational education and training in Sri Lanka.

CSE achieves several landmarks in 2021

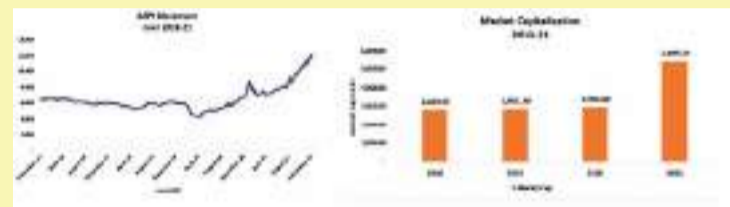
ASPI grows by 102 % over 3 years, average turnover up by 486%

RAVI LADDUWAHETTY

The Colombo Stock Exchange (CSE) achieved several historical landmarks during the last years.

The ASPI saw a growth of 102% over a period of 3 years. (2018-2021) This is on average 26.4% year on year growth. The return of ASPI index deposits to attract returns that the stock market has given its investors during the lower interest rate environment.

The daily average turnover of the Colombo Stock Exchange has increased by 486% compared to 2018 (2018-2021) and this is a result of active participation of local retail investors. Their contribution to the total market turnover has increased from 21.6 to 57.2 over the period of 3 years. Last year CSE witnessed a record 13 Equity IPO'S and one Equity introduction raising capital of Rs. 12,713.5 million.



"Furthermore, there were 14 debenture IPO's which raised Rs. 84,383 million," an official from CSE said. In addition, Rights issues have raised Rs. 24,204.7 million and also Private placement Rs. 2457.6 million. Meanwhile, the Market Capitalization has also increased from Rs. 2,839.5 billion (2018) to Rs. 5,489.2 billion (2021).

The CSE launched an updated version of the official mobile application to be downloaded for Android and IOS users. The updated app features a modern interface and aims to offer users greater access to information on

the stock market and scope for personalization. With the new app, users will have access to customized notifications, analytical tools, educational content, historical movements of indices and stocks for up to a year and a feature for investors to manage their CDS account upon investing.

"The CSE Mobile App has surpassed 150,000 downloads there by becoming one of the fastest growing mobile app in Sri Lanka. This has paved the way for investors to open CDS Accounts from any part of the country and thereby participate in wealth creation."

Kapruka trades at CSE today

Shares of Kapruka Holdings Limited will commence trading on the Main Board of the Colombo Stock Exchange under the symbol, "KPHL" today.

Heavy trading is expected for the counter, as investors, who missed out due to the oversubscription of the issue, would rush to meet their portfolio allocation requirements. Kapruka Holdings Limited is the holding company of Kapruka, Sri Lanka's Pioneering e-commerce platform with a global presence.

The Company recently offered 32,826,000 ordinary voting shares, or a 20% stake in the company, to the public through its much-anticipated IPO, which was oversub-

scribed 5.8x times. The issue, managed by Acuity Partners, was quickly snapped up by savvy investors at a per-share price of Rs 15.40.

A salient feature of the share allocation was that all 'retail investors' were given their allocations in full to make up the 40% mandatory allotment while the

10% reserved for the Unit Trusts too was allotted up to 96%. Accordingly, a total of 164,130,360 ordinary voting shares have been listed, giving Kapruka Holdings Limited an initial market capitalization of Rs 2.5 billion.

Kapruka is Sri Lanka's first and largest locally-owned e-commerce enterprise, founded in 2002 by Dulith Herath.

LOLC General Insurance IPO oversubscribed



Kithsiri Gunawardena

The Initial Public Offering (IPO) of LOLC General Insurance Limited was oversubscribed within minutes of opening on December 16, 2021.

120 million shares were offered for sale at a price of Rs 7.90 per share. The offer size was Rs 948 million. Over 12,200 applications were received for the value of Rs 11.6 billion which resulted in the issue being oversubscribed by

12.23 times. This reflects the significant investor confidence in the Company, its growth prospects and attractive valuation at the offer price. No preferential allocation was made to any investor.

General Insurance Limited is one of the fastest growing General Insurance Companies in Sri Lanka. The Company has been operating in the insurance industry for over 10 years and has established itself as a key player within the industry.

The company is backed by the LOLC Group which enables LOLC General Insurance to benefit from synergies within the Group. Leveraging on the LOLC Group's global synergies and expansions, LOLC General Insurance has expanded its operation into Cambodia. The Company currently owns a 45% stake in Serendib Micro Insurance PLC in Cambodia. Furthermore, the Company is well placed to replicate its strategy in Sri Lanka in the future and in other markets across Asia and Africa.

LOLC General Insurance Chief Executive Officer, Kithsiri Gunawardena stated, "We are honoured to have received an oversubscription by 12.23 times. This expression of confidence by the investing public is a reflection of the trust placed on the LOLC Group and our exceptional performance during one of the most challenging periods in history for business."

Capital Trust Partners (Pvt) Ltd and P W Secretarial (Pvt) Ltd were the managers to the issue.

Sri Lankan Pavilion at Dubai Expo, a main attraction

The Sri Lankan Pavilion at the Dubai Expo attracted many VIPs as well as foreigners and most of them were surprised about the diversity and natural beauty the country had to offer.

While many foreigners opted to purchase travel packages to travel to Sri Lanka, several top businessmen found partners in Sri Lanka and both public and private sector companies have secured over USD 500 million worth of deals and opportunities by participating in the ongoing Dubai Expo.



Two French nationals admiring a Sri Lanka Mask at the pavilion. Picture by Shirajiv Sirimane

Over 11,000 tourists arrive during first 4 days of 2022

Minister of Tourism Prasanna Ranatunga said that 11,380 tourists had arrived in Sri Lanka during the first four days of the new year and that it shows the success of the procedure being followed to raise the standards of the Tourism Industry.

Accordingly, the majority of these tourists have come from Russia (2,032) while 1,809 tourists arrived from India, 1041 from Ukraine, 775 from Germany, 709 from England, 506 from Kazakhstan, 506 from the Maldives islands, 420 Australians, 414 French and 282 from Poland had come to Sri Lanka within the first four days of January this year. Subsequent to reopening the country which was closed due to the C-19 pandemic, 194,888 tourists had arrived in this country in 2021 (1,682 in January, 3,305 in Feb-

ruary, 4561 in March, 4,161 in April, 1,497 in May, 1,614 in June, 2,429 in July, 5,040 in August, 13,547 in September, 22,771 in October, 44,297 in November and 89,506 in December) indicating a gradual increase in arrivals.

The Minister who pointed out that in January 2021 only 1,682 tourists had arrived in the country also said that everyone who contributes to raising the standards of the field of tourism, are shareholders of this success.

Due to the tourism industry which is the main source that brings in the most foreign exchange to Sri Lanka, collapsing, the Minister said that the field of tourism should be developed to a better standard than it was previously in order to solve the prevailing economic crisis. He said further that it is the duty of all Sri Lankans to



act according to health guidelines and obtain the specified doses of the vaccines.

Although true facts about the reawakening economy of the country are being intentionally covered up by groups who are making absurd allegations in order to achieve their narrow political objectives, Minister Prasanna Ranatunga said that he will ensure that this new year will turn out to be the best year for tourism.

ICRA Lanka revises rating outlook of UB Finance Company

ICRA Lanka Limited has reaffirmed the issuer rating of UB Finance Company Limited at [SL]BB. The outlook on the rating is revised to Stable from Negative.

The revision in the outlook factors in the significant improvement in UBF's capitalization profile following the recently completed rights issue. The company reported a net worth of Rs 2,748 million in October-21 as compared to the regulatory minimum requirement of Rs 2,000 million. UBF's capital profile deteriorated significantly in 2018 because of weak profitability and adjustments required as per the revised regulatory capital computation norms and very specifically due to the one-time IFRS-9 transition adjustment of Rs 430 million in FY2019.

As a result, the Central Bank of Sri Lanka placed a lending cap of Rs 9.8 billion and deposit cap of Rs 7.2 billion on the Company, which was revised to Rs 8.1 billion and Rs 5.8 billion respectively in August-20.

Around 500,000 Lankans fall below poverty line since pandemic

Covid-19 pandemic has exacerbated existing challenges and in Sri Lanka, around 500,000 people have fallen below the poverty line since the beginning of the pandemic.

"Jobs have been lost, particularly among women, many of whom will never return to work. The implications of prolonged school closures will be more serious for children who couldn't access online education, and the 'silent learning crisis' will impact future productivity and growth."

According to a World Bank report. The report highlights the need to have robust and resilient systems to reduce exposure and vulnerability to shocks. "Adapting and preparing for emerging challenges is also important. For Sri Lanka, the rapidly ageing population and the rising non-communicable disease burden pose a sig-



nificant threat to human capital, and failing to prepare for these challenges could be disastrous."

Furthermore, the report says Sri Lanka could benefit from developing a human capital program that brings together key sectors and stakeholders for the implementation of comprehensive solutions that can help restore and accelerate human capital. Isolated

interventions can only go so far in creating sustainable and meaningful change. Human capital challenges require integrated and holistic interventions, based on strong collaborations across key sectors. Additionally, human capital challenges are exacerbated by lack of access to and poor quality of basic services, including water, electricity, and transport. The

report also says that Sri Lanka has achieved good results in human capital development with relatively low investment. This remarkable progress demonstrates the country's potential, and provides a glimpse of what can be achieved with more efficient investment. Human capital challenges reveal inequalities along gender, geography, and income, which allow people to fall through the cracks. Investing now can help foster productive citizens who contribute to the national economy, reducing the cost and burden on the system.

"Looking ahead, Sri Lanka must prepare for the challenge of rebuilding lives and reshaping futures. At this crucial juncture, a renewed focus and commitment to human capital development could support a smooth and resilient recovery."

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