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SECURE GROWTH

PROSPECTUS

INITIAL PUBLIC OFFERING

WEALTHTRUST SECURITIES LIMITED

Licensed by the Central Bank of Sri Lanka



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can be downloaded at:

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Manager and Financial Advisor to the Issue:



Asia Securities Advisors [Private] Limited

WEALTHTRUST SECURITIES LIMITED



PROSPECTUS

INVITATION TO INVEST IN THE INITIAL PUBLIC OFFERING OF WEALTHTRUST SECURITIES LIMITED

THROUGH THE OFFER FOR SUBSCRIPTION OF
71,548,244 ORDINARY VOTING SHARES
AT **LKR 7/- PER SHARE**
FOR A TOTAL VALUE OF LKR 500,837,708/-

SHARES TO BE LISTED ON THE **DIRI SAVI BOARD** OF
THE COLOMBO STOCK EXCHANGE

Issue Opens on 17th December 2025

Manager and Financial Advisor to the Issue
Asia Securities Advisors (Private) Limited



4th Floor, Lee Hedges Tower,
349, Galle Road, Colombo 03

▶ RESPONSIBILITY FOR THE CONTENT OF THE PROSPECTUS

This Prospectus has been prepared from the information provided by WealthTrust Securities Limited (hereinafter referred to as “WTS”, the “Company”, or the “Issuer”), and from sources available to the public. The Directors of the Company, collectively and individually, having made all reasonable enquiries confirm to the Manager and Financial Advisor to the Issue, that to the best of their knowledge and belief, that this Prospectus contains all information with respect to the Company, which is material in the context of the Issue; that the information contained herein is true and correct in all material respects and is not misleading; that there are no other material facts, the omission of which would, make any statement contained herein misleading; that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions.

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

WTS accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of information, it does not assume any responsibility for any investment decisions made by investors based on information contained herein. In making an investment decision, prospective investors must rely on their own examination and assessments of the Company including the risks involved.

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

The delivery of this Prospectus shall not under any circumstances constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus. If any such material change occurs, the same will be notified by the Company via a market announcement to the Colombo Stock Exchange (“CSE”).

If you are in any doubt regarding the contents of this Prospectus or if you require any advice in this regard, you should consult a Lawyer, Manager and Financial Advisor to the Issue or any other Professional Advisor.

The CSE has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for any omissions, the accuracy of the statements made, opinions expressed or reports included in this Prospectus. Moreover, the CSE does not regulate the pricing of the Shares which is decided solely by the Issuer.

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

As per the Directive of the SEC made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the CDS dated November 30, 2010, all Shares allotted shall be directly uploaded to the CDS. All Applicants should indicate their CDS account number in the Application Form.

Applicants who do not have a CDS account are advised to open a valid CDS account prior to making the Application, in order to facilitate the uploading of allotted Shares to the CDS.

APPLICATIONS WHICH DO NOT CARRY A CDS ACCOUNT NUMBER, OR WHICH INDICATE AN INCORRECT/INACCURATE CDS ACCOUNT NUMBER SHALL BE REJECTED AND NO ALLOTMENTS WILL BE MADE.

THE ALLOTTED SHARES SHALL BE CREDITED TO THE APPLICANT'S CDS ACCOUNT AS INDICATED IN THE APPLICATION FORM.

PLEASE NOTE THAT SHARE CERTIFICATES SHALL NOT BE ISSUED.

You may open a CDS account through any Trading Participant of the CSE as set out in Annexure 6 or through any Custodian Bank as set out in Annexure 7 of this Prospectus. You can also open a CDS account through the 'CSE Mobile App'. The CSE mobile Application can be downloaded from the Apple App Store (For Apple iOS Users) or the Google Play Store (For Google Android Users).

▶ REGISTRATION OF THE PROSPECTUS

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

1. The written consent of the Manager and Financial Advisor to the Issue

The Manager and Financial Advisor to the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Manager and Financial Advisor to the Issue and for the inclusion of their statements/declarations in the form in which it is included in the Prospectus.

2. The written consent of the Registrar to the Issue

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

3. The written consent of the Auditors and Reporting Accountants to the Company and the Issue

The Auditors and Reporting Accountants to the Company and the Issue have given and have not before the delivery of a copy of the Prospectus for registration withdrawn their written consent for the inclusion of their name as Auditors and Reporting Accountants to the Company and the Issue and for the inclusion of their report/statements in the form and context in which it is included in the Prospectus.

4. The written consent of the Lawyers to the Issue

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

5. The written consent of the Bankers to the Issue

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

6. The written consent of the Company Secretaries

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

7. The Declarations by the Directors

A declaration made by each of the directors of the Company confirming that each of them have read the provisions of the Companies' Act relating to the Offer of the Prospectus and that those provisions have been complied with.

Representation

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

Registration of the Prospectus in jurisdictions outside Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-resident investors may be affected by the laws of the jurisdictions of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Forward Looking Statements

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

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

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

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

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see Future Strategies, Assumptions associated with the future strategies and Risks associated with the future strategies in Section 3.11 respectively.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lankan Rupees. References in the Prospectus to "LKR", "Rupees" or "Rs." are to the lawful currency of Sri Lanka.

Certain numerical figures in this Prospectus have been subject to rounding adjustments, accordingly numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Presentation of Macroeconomic and Industry Data

Economic and Industry data used throughout this Prospectus are derived from the Central Bank of Sri Lanka (CBSL) and various other industry data sources, which the Company believes to be reliable, but the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, while believed to be reliable, have not been independently verified and neither the Company nor the Manager and Financial Advisor to the Offer make any representation as to the accuracy of that information.

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► ISSUE AT A GLANCE

Issuer	WealthTrust Securities Limited
Type of Offer	An Initial Public Offering by way of an Offer for Subscription
Number and Type of Securities to be Offered	71,548,244 Ordinary Voting Shares
Share Issue Price	LKR 7/- per Share
Total Amount of the Initial Public Offering	LKR 500,837,708/-
Offer for Subscription	Issuance of 71,548,244 New Ordinary Shares at the Share Offer Price of LKR 7/- per share amounting to a total subscription of LKR 500,837,708/-
Minimum Subscription per Application	<p>Minimum subscription per Application is 100 Shares (LKR 700/-). Applications exceeding the minimum subscription should be in multiples of 100 Shares.</p> <p>Minimum subscription of 100 Shares will be allotted to each successful Applicant.</p>
Opening of the Subscription List (Issue Opening Date)	17th December 2025
Closure of the Subscription List (Issue Closing Date)	7th January 2026
Earliest Closing Date	17th December 2025
Basis of Allotment	As described in Section 1.9 of this Prospectus
CSE Listing	Listing on the Diri Savi Board of the CSE, subject to compliance with the CSE Listing Rules and the SEC Directives (as applicable)

CORPORATE INFORMATION

Issuer	WealthTrust Securities Limited
Date of Incorporation	1st February 2010
Place of Incorporation	Colombo, Sri Lanka
Legal Form	<p>The Company was incorporated in Sri Lanka on 01st February 2010 as a Limited Company under the provisions of Companies Act No. 07 of 2007</p> <p>Authority of Incorporation: Registrar of Companies (ROC), Colombo</p> <p>The Company is a Primary Dealer licensed by the Central Bank of Sri Lanka. The Company is also licensed by the Securities and Exchange Commission of Sri Lanka as a Stock Broker (Debt) and Stock Dealer (Debt).</p>
Company Registration Number	PB 3796
Registered Office and Current Place of Business	<p>No. 102/1, Dr. N.M. Perera Mawatha (Cotta Road), Colombo 08, Sri Lanka Tel: +94 11 2675091 – 4 Fax: +94 11 2689605 E-mail: info@wealthtrust.lk Web: www.wealthtrust.lk</p>
Board of Directors	<ol style="list-style-type: none"> 1. Mr. W.Senaka Weerasooria – Chairman 2. Mr. R. Romesh Gomez – Managing Director / CEO 3. Ms. Anarkali K. Moonesinghe – Director 4. Mr. Timothy A.B. Speldewinde – Director 5. Ms. Shanti Gnanapragasam – Director 6. Mr. B. Tarusha. De S. Weerasooria – Director
Credit Rating of Entity	<p>A- (Positive) – Lanka Rating Agency (source: https://lra.com.lk/ratings/, Accessed on 01st October 2025)</p>
Company Secretaries	<p>Corporate Services (Private) Limited No. 216, De Saram Place Colombo 10 Tel: +94 11 460 5100</p>
Auditors to the Company	<p>Ernst & Young Chartered Accountants Rotunda Towers No. 109, Galle Road Colombo 03</p>

Bankers to the Company**Bank of Ceylon**

Head Office,
"BOC Square", No. 01
Bank of Ceylon Mawatha
Colombo 01
Tel: +94 11 220 4444

Cargills Bank PLC

No. 696 Galle Road,
Colombo 03
Tel: +94 11 764 0000

Commercial Bank of Ceylon PLC

"Commercial House", No. 21,
Sir Razik Fareed Mawatha,
Colombo 01
Tel: +94 11 243 0424

DFCC Bank PLC

No. 73/5, Galle – Colombo Road,
Colombo 03
Tel: +94 11 244 2442

Hatton National Bank PLC

"HNB Towers"
No. 497, T.B. Jayah Mawatha (Darley Road),
Colombo 10
Tel: +94 11 266 0160

Nations Trust Bank PLC

Head Office
No. 46/58, Nawam Mawatha,
Colombo 02
Tel: +94 11 495 5399

Sampath Bank PLC

No. 110, Sir James Peiris Mawatha,
Colombo 02
Tel: +94 11 230 3050

▶ RELEVANT PARTIES TO THE ISSUE

Managers and Financial Advisors to the Issue	Asia Securities Advisors (Private) Limited 4th Floor, Lee Hedges Tower, 349, Galle Road, Colombo 03 Tel: 0117 722 000 Fax: +94 11 237 2421
Legal Advisors and Lawyers to the Issue	F J & G de Saram 216, De Saram Place, Colombo 10 Tel: +94 11 460 5100
Auditors and Reporting Accountants to the Issue	Ernst & Young, Chartered Accountants Rotunda Towers No. 109, Galle Road, Colombo 03 Tel: +94 11 246 3500
Registrars to the Issue	Central Depository Systems (Pvt) Ltd Ground Floor M&M Center, 341/5, Kotte Road, Rajagiriya Tel: +94 11 2356444 Fax: +94 11 2440396
Bankers to the Issue	Sampath Bank PLC No. 110, Sir James Peiris Mawatha, Colombo 02 Tel: +94 11 230 3050
Company Secretary	Corporate Services (Private) Limited No. 216, De Saram Place, Colombo 10 Tel: +94 11 460 5100

► GLOSSARY OF TERMS AND ABBREVIATIONS

%	Percentage
Applicant/s	Any investor who submits an Application Form under this Prospectus
Application Form, Application	The Application Form that constitutes part of this Prospectus through which the investors may apply for the Shares
Articles of Association	Articles of Association of WealthTrust Securities Limited
Bn	Billion
c.	Circa (Latin for “approximately”)
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Private) Limited
CEFTS	Common Electronic Fund Transfer Switch
CEO	Chief Executive Officer
Companies Act	Companies Act No. 07 of 2007 (as amended)
Company	WealthTrust Securities Limited
Corporate Governance Rule/s	Corporate Governance Rules as per Section 9 of the CSE Listing Rules
CSE	Colombo Stock Exchange
Directors	The Directors for the time being of the Company, unless otherwise stated
EPS	Earnings Per Share
Float Adjusted Market Capitalization	Public shareholding percentage of the Company multiplied by the Market Capitalization of the Company. Market Capitalization is based on the Share Issue Price
Foreign Investor	Citizens of Sri Lanka who are residents outside Sri Lanka and above 18 years of age; Corporate bodies incorporated or established outside Sri Lanka; Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); Global, Regional and country funds approved by the SEC Please refer Section 2.1 for further information
FY23, FY2023	Financial Year Ended 31 March 2023
FY24, FY2024	Financial Year Ended 31 March 2024
FY25, FY2025	Financial Year Ended 31 March 2025
IIA	Inward Investment Account
IPO	Initial Public Offering
Issue, Offer for Subscription	An invitation to the public by the Company to subscribe to the Offered Shares to be issued via an Offer for Subscription as detailed in this Prospectus
Listing Rules	The Listing Rules of the CSE
LKR	Sri Lankan Rupees

► GLOSSARY OF TERMS AND ABBREVIATIONS

LRA	Lanka Rating Agency
Mn	Million
NAV	Net Asset Value
New Shares	71,548,244 Ordinary Voting Shares to be issued by the Company to the public at the Share Offer Price
NIC	National Identity Card
NIM	Net Interest Margin represents the ratio of net interest income to average interest-earning assets, expressed as a percentage
No.	Number
Offer Closing, Closure Date	The date of closure of the subscription list as set out in Section 1.8 of this Prospectus
Offer Opening Date	The date of opening of the subscription list as set out in Section 1.8 of this Prospectus
Offer, Offering, IPO	The Offer for Subscription of New Shares to be offered at the Share Offer Price in terms of this Prospectus
Offered Shares	Seventy-One Million Five Hundred and Forty-Eight Thousand Two Hundred and Forty-Four (71,548,244) Ordinary Voting Shares offered to the public through the Offer for Subscription
Ordinary Shares, Shares, Ordinary Voting Shares and Paid-up Ordinary Shares	Ordinary Shares of the Company, conferring on the holders thereof, with regard to each Share, the right to one vote per share on a poll at a meeting of the Company on any resolution, the right to an equal share in dividends paid by the Company and the right to an equal share in the distribution of the surplus assets of the Company in liquidation
P/BV	Price to Book Value Ratio
PD	Primary Dealer
P/E	Price to Earnings Ratio
POA	Power of Attorney
Prospectus	This Prospectus dated 20th November 2025 issued by the Company
ROE	Return on Equity
RTGS	Real-time Gross Settlement
SEC	Securities and Exchange Commission of Sri Lanka
Share Offer Price, Share Issue Price	The price at which the Offered Shares will be offered to the public, as detailed in the Prospectus, i.e. LKR 7/- per Ordinary Voting Share
SLIPS	Sri Lanka Inter-bank Payment System
Stated Capital	The Stated Capital of WealthTrust Securities Limited
VAT	Value Added Tax
WTS	WealthTrust Securities Limited

▶ DETAILS OF THE ISSUE

1 DETAILS OF THE ISSUE

1.1 INVITATION TO SUBSCRIBE

Applications are invited from the public to subscribe for Seventy-One Million Five Hundred and Forty-Eight Thousand Two Hundred and Forty-Four (71,548,244) Ordinary Voting Shares through an Offer for Subscription. The Offered Shares amount to approximately 5.84% of the Ordinary Voting Shares of the Company following the Pre-IPO subdivision of Shares and taking into account the Shares issued through the IPO at a Share Issue Price of Sri Lankan Rupees Seven (LKR 7/-) per Share, payable in full on Application on the terms and conditions set out in this Prospectus. The issue will constitute an Offer for Subscription as detailed below:

Table 1.1: The Issue

Number of Shares issued	Seventy-One Million Five Hundred and Forty-Eight Thousand Two Hundred and Forty-Four (71,548,244)
Shares issued as a percentage of post-IPO number of shares assuming full subscription*	5.84%
Issue price per share	LKR 7/-
Issue value	LKR 500,837,708/-

* Shares issued as a percentage of post-IPO number of Shares, assuming full subscription. This has been calculated by dividing the number of Shares issued through the Offer for Subscription by the total number of Ordinary Voting Shares of the Company, determined by adding the Shares issued to the pre-IPO Shares following the subdivision.

1.2 NATURE OF THE NEW SHARES ISSUED

Seventy-One Million Five Hundred and Forty Eight Thousand Two Hundred and Forty Four (71,548,244) Ordinary Voting Shares offered shall, upon allotment, rank equal and Pari Passu in all respects with the other existing Ordinary Voting Shares of the Company to be listed and such Shares shall confer on the holder thereof, with regard to each Share, the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal Share in any dividend that may be paid by the Company and the right to an equal Share in the distribution of the surplus assets of the Company in a liquidation.

1.3 OBJECTIVES OF THE ISSUE

- **Strengthening core capital of the Company**

WTS, as a Primary Dealer authorized by the CBSL, is subject to minimum core capital and risk weighted capital adequacy ratio requirements stipulated by the CBSL from time to time.

As at 30th September 2025, WTS's core capital stood at LKR 6,256,448,263, (source: Company unaudited accounts as at 30th September 2025) comfortably above the current regulatory requirement of LKR 2.5 Bn, providing a very healthy buffer of LKR 3,756,448,263. However, the Local Treasury Bills Ordinance and Registered Stock and Securities Ordinance (Direction No. 01 of 2025, issued on 16th September 2025 by the CBSL) stipulates a phased increase to the minimum core capital requirement, raising it to LKR 4.0 Bn effective 1st January 2026, and LKR 5.0 Bn effective 1st January 2027. Although WTS already exceeds these thresholds, the Company intends to proactively raise additional capital to further strengthen its buffer, thereby providing a stronger cushion against unforeseen adverse interest rate movements. Thus, strengthening the Company's core capital is expected to enhance its capacity to absorb market and interest rate risk exposures arising from its primary dealer operations, improve its risk-weighted capital adequacy ratio, and support sustained value creation for Shareholders through greater earnings potential.

Accordingly, the funds WTS intends to raise through the IPO, will strengthen its current core capital of LKR 6,256,448,263 as of 30th September 2025 by LKR 500,837,708/-. The current and future core capital requirements stipulated by the regulator and the status of WTS is outlined below:

▶ DETAILS OF THE ISSUE

Table 1.2: Regulatory Core Capital Requirement

Core Capital requirement	Effective date for compliance	WTS Status
LKR 1.0 Bn ¹	until 31st December 2021	Complied well-in advance
LKR 2.0 Bn ¹	by 01st January 2023	Complied well-in advance
LKR 2.5 Bn ¹	by 01st January 2023	Complied well-in advance
LKR 4.0 Bn ²	by 01st January 2026	Already in compliance
LKR 5.0 Bn ²	by 01st January 2027	Already in compliance

1 As per the minimum capital requirement of Primary Dealer Companies stipulated in CBSL Direction no. 01 of 2021

2 As per the minimum capital requirement of Primary Dealer Companies stipulated in CBSL Direction no. 01 of 2025

Table 1.3: WTS Core Capital and Capital Adequacy Ratios

	CBSL requirement	Company's Compliance * (Pre-IPO)	Company's Compliance * (Post-IPO)
Core Capital ¹	LKR 2,500,000,000 (effective until 31st December 2025)	LKR 6,256,448,263	LKR 6,757,285,971
Risk Weighted Capital Adequacy Ratio ²	10%	20.30%	21.93%

*As per the unaudited financial statements as at 30th September 2025

1 as per the CBSL Direction no. 01 of 2021 (source: <https://www.cbsl.gov.lk/en/laws/directions-circulars-guidelines-on-public-debt>. Accessed on 23rd September 2025)

2 as per the CBSL Direction no. 02 of 2015 (source: <https://www.cbsl.gov.lk/en/laws/directions-circulars-guidelines-on-public-debt>. Accessed on 23rd September 2025)

Further, WTS currently has an A- (positive outlook) credit rating assigned by Lanka Rating Agency Limited (source: <https://lra.com.lk/ratings/>. Accessed on 01st October 2025). The recent rating upgrade to a positive outlook from a stable outlook, has been attributed to maintaining a prudent risk approach. The Company believes that this further strengthening of the core capital via the equity capital raised at the IPO, will contribute positively to the future of its credit rating as well.

The funds raised through the IPO will be invested in financial instruments, primarily government securities, which will generate returns in the form of interest income and/or trading gains. Any investments made in alternative instruments (quoted Shares, quoted debentures or bonds and quoted commercial papers) would be subject to a maximum limit of 5% of total investments maintained at any given point in time as imposed by the CBSL Direction on the Appointment of Primary Dealers as Corporate Debt Dealers (08/24/008/0021/001) issued on 10th July 2013.

The funds are expected to be invested in the ordinary course of business, by way of expanding its trading portfolio of government securities as soon as lucrative opportunities are identified. The Company expects to utilize the funds before 31st January 2026. Considering the expertise and the market understanding of the management team, the current market context and that WTS has made monthly average investments of c. LKR 28.4 Bn over the past 6 months from April 2025 to September 2025, and monthly average investments of c. LKR 18.8 Bn over the last quarter from July 2025 to September 2025, the Company is confident of earning returns in line with the long-term historical performance of the Company.

The funds raised through the IPO will not be lent to related parties. Further, the objectives of the Issue do not amount to a related party transaction nor a major transaction as per the Companies Act.

1.4 SPECIFIC RISKS ASSOCIATED WITH THE OBJECTIVES OF THE ISSUE

1.4.1 THE BUSINESS MODEL'S INHERENT RISK PROFILE CAN CAUSE FLUCTUATIONS IN EARNINGS, WITH THE POSSIBILITY OF WTS EXPERIENCING LOSSES IN CERTAIN YEARS

The inherent interest rate and market risks of the primary dealing business may lead to volatility in Shareholder returns during certain years depending on interest rate cycles. However, WTS adopts a relatively risk-averse approach to ensure that risks are managed within acceptable levels, while optimizing profitability to sustain long-term ROE. Accordingly, even during the steep interest rate increase experienced in FY2022 leading up to the financial crisis, WTS was able to minimize losses, making relatively small losses compared to some industry peers.

1.4.2 THE RISK OF INFLATION ACCELERATING MORE AGGRESSIVELY THAN FORECASTED

An unexpected acceleration in inflation could adversely impact the core capital position of Primary Dealers. Higher inflation generally drives interest rates upwards, reducing the market value of government securities portfolios and resulting in mark-to-market losses. Such losses, coupled with higher funding costs arising from reliance on short-term borrowings to finance fixed-rate securities, can potentially compress profitability and erode retained earnings that contribute to core capital. In addition, weaker investor demand for government securities during inflationary periods may leave Primary Dealers with excess inventory risk.

1.4.3 GLOBAL UNCERTAINTIES

Global economic and geopolitical uncertainties can lead to higher domestic interest rates, tighter liquidity, and reduced investor demand for government securities, potentially exposing Primary Dealers to mark-to-market losses, higher funding costs, and excess inventory risk. These pressures may weaken profitability and retained earnings, thereby constraining the ability to preserve and strengthen core capital.

1.4.4 RISK OF NOT BEING ABLE TO UTILIZE THE IPO PROCEEDS ON A TIMELY BASIS OR FOR THE OBJECTIVES SPECIFIED UNDER SECTION 1.3

As a Primary Dealer, the utilization of the IPO funds by way of investment in financial instruments such as government securities and permitted alternatives, will be part of the ordinary course of business for WTS. Due to the nature of the business and given that CBSL carries out weekly bill auctions and frequent bond auctions in which WTS mandatorily participates in. In addition, the Company can utilize its funds to expand its term reverse repo book (Reverse Repurchase Agreements) at an expected minimum rate of return within a range of c.9% to c.10% per annum. Hence, WTS does not foresee any risk of not being able to utilize the funds raised from the IPO on a timely basis or in the objectives specified under Section 1.3.

However, if the entirety of the IPO proceeds is not utilized as per the specified timeline, such funds will be invested in other short-term fixed income instruments such as overnight reverse repos at an expected minimum rate of return of c. 7.9% p.a. (prevailing rate of return), until such time it is used for investments.

In the event proceeds raised via the IPO is utilized for any purpose, other than the purpose mentioned under Section 1.3 or any deviation from the stipulated time frame to achieve such objective or any deviation from amount allocated for such objective, the Company will make necessary disclosures to the shareholders via the CSE and include relevant disclosures in the Interim Financial Statements and Annual Report as appropriate. Further, the Company will take necessary steps to obtain the approvals of the relevant parties, including the shareholders, as appropriate at that point in time and make necessary disclosures as appropriate.

Furthermore, WTS will disclose the progress of the utilization of the proceeds in the format below, in its interim and annual financial statements until such time the full amount is utilized for the said purpose.

▶ DETAILS OF THE ISSUE

Table 1.4: Continuous Disclosure on Utilization of Proceeds of the Issue

Objective No.	Objective as per Prospectus	Amount allocated as per Prospectus	Proposed Date of Utilization as Per Prospectus	Amount allocated upon the receipt of proceeds in LKR (A)	As a % of total proceeds	Amount Utilized in the Objective in LKR (B)	% of utilized against allocation (B/A)	Clarification if not fully utilized including where the funds are invested
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

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

1.5 APPROVAL FROM OTHER REGULATORS

WTS is an authorized Primary Dealer and, as such, is regulated by the CBSL. The Company has informed the CBSL of its intention to list on the CSE and received acknowledgement of the same on 24th October 2025. No further specific approvals are required for the Issue or the Objectives of the Issue from the CBSL.

The Company requires an authorization from the CBSL to carry out its business as a Primary Dealer. CBSL does not require WTS to renew this authorization periodically, however, the CBSL may suspend and/or revoke the authorization should the terms and conditions attached thereto are not continuously adhered to.

WTS also possesses licenses issued by the SEC to carry on business as a Stock Broker in Debt Securities and Stock Dealer in Debt Securities. Thus, WTS is also regulated by the SEC and has informed the SEC on the proposed change in shareholding resulting from the IPO, and SEC has responded with a no objection letter. To continue carrying out Corporate Debt trading activities the Company is required to renew the aforementioned license s annually. The Company has also informed the CSE, in its capacity as a Stock Broker and Stock Dealer in Debt Securities on the proposed issuance as per the CSE Trading Participant Rules.

1.6 LISTING

The Ordinary Voting Shares offered via the Offer for Subscription, and, if fully subscribed, will amount to 5.84% of the Ordinary Shares of the Company following the Pre-IPO subdivision of Shares and taking into account the Shares issued through the IPO.

An Application has been made and approved in principle by the CSE for permission to deal in, and for a listing of One Billion Two Hundred and Twenty-Five Million Fifty-Two Thousand Nine Hundred and Thirty-Nine (1,225,052,939) Ordinary Voting Shares of the Company which will take place on the Diri Savi Board of the CSE.

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

WTS is already in compliance with Rule 2.1.2.A. (ii) (a), (b) and (d) of the Listing Rules. It is expected that the Company will meet the minimum public holding requirement set out in the Rule 2.1.2.A. (ii) (c) of the Listing Rules, which requires that, in the event the Float Adjusted Market Capitalization of the listing entity is at least LKR 1.0 Bn, 7.5% of the total number of Shares for which a listing is sought should be in the hands of a minimum number of 200 public Shareholders at the completion of the Issue, pursuant to which the listing of the entire Ordinary Shares of the Company will take place on the Diri Savi Board of the CSE.

WTS currently has 07 public Shareholders pre-IPO. To qualify for a Diri Savi Board listing, it will require additional 193 public shareholders. The minimum public holding percentage for the Diri Savi Board mandates 7.5% for a Company with a float adjusted market capitalization of LKR 1.0 Bn. WTS currently has 10.73% of its total Shares (on a post-IPO basis) held by public shareholders. It plans to offer an additional 5.84% of its total shares through the IPO to public (Any IPO Applicants allotted under the employees and directors category and identified investors allotted preferentially under non-retail category, who are classified as non-public according to CSE Listing Rules definitions, will not be included in the public shareholding calculation).

However, in the event the Offering is undersubscribed, and thereby WTS being unable to meet the above requirements, upon closure of the Issue, the Ordinary Voting Shares of the Company will not be listed on the CSE and the Company will return all monies received from Applicants within Eight (08) Market Days from the Closing Date.

1.7 SHARE ISSUE PRICE

The Board of Directors of the Company has, after careful consideration, resolved that the Issue Price of Sri Lankan Rupees Seven (LKR 7/-) per Share for the New Ordinary Voting Shares being offered, is fair and reasonable to the Company and to all existing Shareholders of the Company as per Section 52 of the Companies Act.

The Issue Price was determined by the Company in consultation with the Managers and Financial Advisors to the Issue. The following table shows a summary of the Valuation Methods used to determine the Issue Price.

Table 1.5: Summary Valuation

Valuation Method	Value per Share (LKR)	Issue Price Discount / (Premium) to Valuation
Justified P/BV	8.28	15.4%
Market Multiples	8.30	15.7%
Dividend Discount Model	7.52	6.9%

The Justified P/BV multiple was used as the primary valuation methodology, resulting in a value per share of LKR 8.28, which is at a 15.4% discount relative to the issue price of LKR 7/- per share. This IPO discount is provided to investors in order to provide a potential upside to the investment. Secondary valuation methodologies, including market multiples and the dividend discount model, produced per share values of LKR 8.30 and LKR 7.52, respectively. A copy of the research report that includes the valuation methodologies used is enclosed in Annexure 4 of this Prospectus.

The investors should read the quantitative and qualitative factors given in Section 1.7.1 and Section 1.7.2, the risk factors included under Section 3.11.2 of this Prospectus and the details of the Company, and its financial statements included in this Prospectus.

DETAILS OF THE ISSUE

1.7.1 QUANTITATIVE FACTORS

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

A. WTS's Adjusted Earnings per Share (EPS), Average Return on Equity (ROE %) and Price to Earnings (P/E) Ratio

Table 1.6: Historical and Adjusted Earnings per Share (EPS), Return on Equity (ROE) and Price to Earnings Ratio (P/E)

Based on Reported Financials	Basic EPS ¹ (LKR)	Diluted EPS ² (LKR)	Adjusted Basic EPS ³ (LKR)	Return on Equity ⁴ (ROE)	P/E Ratio ⁵ (Times)
31st March 2025	36.21	36.21	1.03	20.51%	6.77
31st March 2024	148.89	148.89	4.25	74.05%	1.65
31st March 2023	51.73	51.73	1.48	38.14%	4.74
Average	78.94	78.94	2.26	44.24%	3.10
03 Months Ended 30th September 2025 (Interim) (Not Annualized) ⁶	0.38	0.38	0.38	N/A	N/A

1 Basic EPS calculated as Net Profit as restated, attributable to equity shareholders divided by Weighted Average Number of Equity Shares Outstanding during the Year/Period

2 WTS does not have any dilutive instruments in the capital structure

3 Basic EPS adjusted to factor in the 1:35 share sub-division carried out on 29th September 2025 (Refer section 3.7)

4 Return on Equity calculated as Net Profit after Tax, as restated, divided by Net Assets at the End of the Year/Period as stipulated in the CSE Listing Rules

5 P/E Ratio of WTS is calculated on the IPO Issue Price of LKR 7/- and the Adjusted Basic EPS

6 As per Unaudited Financial Statements

B. WTS's Price/Earnings Ratio (P/E) in relation to the Offer Price of LKR 7/- per Share

- Based on financial year ended 31st March 2025, the Adjusted Basic EPS of LKR 1.03 the P/E Ratio is 6.77 times.
- Based on the three-year average (FY2023 – FY2025) Basic Adjusted EPS of LKR 2.26, the P/E ratio is 3.10 times.
- Industry Price/Earnings Ratio (P/E) as of 31st March 2025 is 3.85.

Table 1.7: Industry Price/Earnings Ratio (P/E)

Particulars	Name of the Peer Entity	P/E ¹
Highest	First Capital Treasuries PLC	4.65
Lowest	First Capital Holdings PLC	2.82
Industry Composite ²		3.85

Source: Annual Reports as at 31st March 2025

Sector Classification of Peers: Investment Banking & Brokerage, Diversified Financials

1 Capital Alliance Holdings PLC commenced trading on the CSE on 30th May 2025, hence has not been considered for the industry composite.

2 The industry composite has been calculated by taking into consideration all the listed peers: Capital Alliance PLC, First Capital Treasuries PLC, Capital Alliance Holdings PLC and First Capital Holdings PLC. While Capital Alliance Holdings PLC and First Capital Holdings PLC are holding companies for multiple financial services businesses, these have been considered as peer entities as they are closely comparable given that the revenues and profitability is largely driven by its Primary Dealer unit, with the Primary Dealer business contributing to more than 50% of the revenue and profitability in FY24 and FY25 based on published financial information. The research report (Annexure 4) provides further details on this rationale in section 6.3

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

- Based on the NAV per Share in the latest audited financial statements as at 31st March 2025 of LKR 176.57 (Adjusted NAV per Share post share sub-division is LKR 5.04), the P/BV ratio is 1.39 times.
- Based on the NAV per Share in the latest unaudited interim financial statements as at 30th September 2025 of LKR 5.42 post share sub-division, the P/BV ratio is 1.29 times.
- Post-IPO NAV per Share is LKR 5.52, adjusted to reflect the NAV as at 30th September 2025 (adjusted for post share sub division) and Number of Shares in Issue assuming the full subscription of the Shares issued via the IPO.
- The offer price per share is LKR 7/-

D. Comparison of Accounting ratios

The comparable ratios of the entities which are to some extent similar in business, are given below (as per the latest audited financial statements) as at 31st March 2025.

Table 1.8: Net Asset Value (NAV) per Share, Earnings Per Share (EPS), Price/Earnings Ratio (P/E) and Return on Equity Ratio (ROE) of Peers as per latest audited accounts

Peer Entity ³	NAV per Share (LKR)	EPS (LKR)	P/E	ROE % ¹
First Capital Treasuries PLC	14.82	4.94	4.65	33.36%
Capital Alliance PLC	43.70	13.42	4.08	30.71%
First Capital Holdings PLC	21.71	11.58	2.82	57.05%
Capital Alliance Holdings PLC ²	9.44	1.88	N/A	23.40%

Source: Annual Reports for the year ended 31st March 2025

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

- Return on Equity calculated as Net Profit after Tax, as restated, divided by Net Assets at the End of the Year/Period as stipulated in the CSE Listing Rules
- Capital Alliance Holdings PLC commenced trading on the CSE on 30th May 2025, hence there was no market price as at 31st March 2025
- The listed peer entities considered comprise Capital Alliance PLC, First Capital Treasuries PLC, Capital Alliance Holdings PLC and First Capital Holdings PLC. While Capital Alliance Holdings PLC and First Capital Holdings PLC are holding companies for multiple financial services businesses, these have been considered as peer entities as they are closely comparable given that the revenues and profitability is largely driven by its Primary Dealer unit, with the Primary Dealer business contributing to more than 50% of the revenue and profitability in FY24 and FY25 based on published financial information. The research report (Annexure 4) provides further details on this rationale in section 6.3

1.7.2 QUALITATIVE FACTORS

• A versatile team consisting of well experienced and qualified professionals

The senior staff of WTS collectively possess over 100 years of industry experience, supported by strong academic and professional backgrounds. This depth of expertise enhances decision-making, strengthens compliance and risk management practices, and contributes to the Company's ability to deliver consistent and reliable service to clients. WTS benefits from a multi-skilled team structure where each member is capable of handling a wide range of responsibilities independently. This reduces operational bottlenecks and ensures uninterrupted execution of tasks and client transactions, thereby improving turnaround time and overall efficiency. Collectively, these factors position WTS to operate with a high degree of efficiency and resilience, supporting its growth and sustainability.

• Industry leading Net Interest Margins (NIMs) and Net Interest Spreads (NISs)

WTS has sustained industry-leading NIMs and NISs (refer Section 2.4 of the Research Report (Annexure 4) for peer analysis) by strategically relying on short-term borrowings, particularly repos, which lowers funding costs and provide flexibility in managing its securities portfolio. This approach has allowed the Company to consistently capture favorable spreads, maintain profitability above peers, and demonstrate strong asset-liability management even in volatile interest rate environments.

DETAILS OF THE ISSUE

- **A risk-averse trading strategy minimizing losses**

WTS adopts a risk-averse trading strategy aimed at minimizing losses and preserving capital, particularly during adverse market conditions. This approach is characterized by maintaining shorter holding periods and frequently turning around portfolio positions, which allows the Company to remain agile and responsive to changing market dynamics. As a result, WTS has consistently limited its exposure to significant market downturns, recording a marginal loss in only one financial year over the past 12 years. For instance, in FY2022 WTS minimized its negative ROE compared to some industry peers through their risk averse trading strategy (refer Section 2.4 of the Research Report (Annexure 4) for peer analysis).

- **An in-house bidding platform enabling swift execution of transactions**

WTS has developed an in-house bidding platform that facilitates the direct placement of client bids in primary auctions. This proprietary system streamlines the bidding process and ensures greater accuracy and speed in bids submitted. By enabling clients to place bids directly through the platform, WTS not only enhances transparency and client convenience but also strengthens operational efficiency. The automation of auction-related processes allows the Company to handle higher auction volumes with reduced turnaround times, thereby improving overall productivity and reinforcing its competitive positioning in the market.

- **Backed by strong promotor shareholders**

WTS benefits from the backing of strong and reputable promoter shareholders, which provides the Company with long-term strategic support, enhanced market credibility and financial stability. The promoters' significant ownership ensures alignment of interests with public investors and incentivizes the maintenance of sound governance practices through oversight and influence on key corporate decisions. Their presence helps the Company navigate market volatility, manage liquidity, and maintain a resilient capital base, thereby underpinning investor confidence in WTS and its growth prospects.

1.8 SUBSCRIPTION LIST

The subscription list for the Shares will open at 9.00 a.m. on 17th December 2025 and shall, subject to the occurrence of the events in the following paragraph, remain open for fourteen (14) Market Days (including the date of opening) until closure at 4.30 p.m. 07th January 2026. However, in the event the issue is oversubscribed prior to the stated closing date, the Entity shall inform the CSE in writing immediately of such fact and the subscription list shall be closed on the same day at 4.30pm. Accordingly, the Earliest Issue Closing Date shall be the Issue Opening Date (i.e. 17th December 2025).

The Board of WTS reserves the right to close the subscription list on any Market Day within the period of fourteen (14) Market Days, irrespective of whether the Issue is oversubscribed or not, by providing one (01) Market Day's prior notice to the CSE. Applications may be made forthwith in the manner set out in Section 2 of this Prospectus.

1.9 BASIS OF ALLOTMENT

The basis of allotment of the Shares will be as per the manner prescribed in the Rule 2.1.1 (g) I. (ii) of the Listing Rules, since the value of the Offering is less than LKR 3.0 Bn, the basis of allotment will be as follows:

Table 1.9: Basis of Allotment

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

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

'Retail Individual Investor' shall mean an individual investor who subscribes for a maximum of Fourteen Thousand Two Hundred (14,200) Shares or a value of not more than Rupees One Hundred Thousand (LKR 100,000).

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

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

'Employees and Directors' includes the Directors (Executive and Non-Executive) and permanent staff of WTS who will be allocated Shares on a preferential basis at the discretion of the Board of Directors of the Company.

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

The Board of Directors of WTS reserves the right to preferentially allot up to 50% of the Shares available for allotment under the Non-Retail Investor Category (up to 20% of the issued IPO Shares) to identified investors (e.g. Foreign/Local Institutional Investors, and other High Net Worth Individuals) who apply through this category under the IPO. However, in the event of an undersubscription in the totality of the Unit Trust Investor Category and the Retail Individual Investor Category (after fully allotting to all such Applicants), the quantum of Shares unsubscribed may be redistributed to the preferential allotment so long as 20% of the issued IPO Shares are allotted to the non-retail investor category for which no preferential allocation is given provided there is no undersubscription in the non-retail investor category.

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

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

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

In the event of an undersubscription in any one or more of the categories, the quantum of unsubscribed Shares may be redistributed to other categories that may be oversubscribed in a fair and equitable manner at the discretion of the Board of Directors.

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

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

1.10 COST OF THE OFFER

The Directors of the Company estimate that the total cost of the Offer will be approximately LKR 27.6 Mn translating to c. 5.5% of the funds raised.

The above cost estimation includes the initial listing fees, fees payable to the Managers and Financial Advisor to the Issue, Registrars to the Issue, Bankers to the Issue, Lawyers to the Issuer, advertising and promotional agency, costs of postage, stamp duty and printing, and brokerage commission. These costs will be recovered from internally generated funds of the Company.

▶ DETAILS OF THE ISSUE

1.11 BROKERAGE

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

1.12 MINIMUM SUBSCRIPTION AND UNDERWRITING

In the opinion of the Directors of the Company, there is no minimum subscription required to be raised through this Issue, other than the minimum public holding requirement necessary to meet the listing requirements.

No underwriting arrangement has been made by the Company for this Share Issue. In the event the Offer is undersubscribed, the subscribers shall be allotted/allocated in full and funds raised via the Offer for Subscription together with subsequent capital raisings will be used to achieve the stated objectives.

1.13 INSPECTION OF DOCUMENTS

Certified copies of the following documents will be available for inspection during normal business hours at the Registered Office of WealthTrust Securities Limited, No. 102/1, Dr. N.M. Perera Mawatha (Cotta Road), Colombo 08, from the date hereof, until the subscription list is closed or up to 14 market days, whichever is later.

- a) Articles of Association
- b) Auditors report and audited financial statements for the financial year ended 31st March 2025
- c) Material contracts and Management agreements, if any
- d) Reports, letters, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus
- e) The audited accounts of the Company for five (5) financial years immediately preceding the publication of this Prospectus
- f) Interim financials for the three months ended 30th September 2025

Further, the summarized form of the research report prepared by the IPO Manager to the Issue will be available on the CSE website and the Company's website for a period of two (02) months commencing from the date of the issuance of this Prospectus.

The Prospectus and the Articles of Association of the Company will also be hosted on the Company's website www.wealthtrust.lk and the CSE website www.cse.lk during the above-mentioned period.

► PROCEDURE FOR APPLICATION

2 PROCEDURE FOR APPLICATION

2.1 ELIGIBILITY TO INVEST

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

- a) Citizens of Sri Lanka who are resident in Sri Lanka and are above 18 years of age; or
- b) Citizens of Sri Lanka who are resident outside Sri Lanka and are above 18 years of age; or
- c) Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- d) Companies, Corporations, or Institutions incorporated or established within Sri Lanka; or
- e) Corporate bodies incorporated or established outside Sri Lanka; or
- f) Approved Unit Trusts licensed by the SEC; or
- g) Approved Provident Funds, Trust Funds and approved contributory pension schemes registered / incorporated / established in Sri Lanka (in this case, Application Forms should be in the name of the Trustee / Board of Management thereof, in order to facilitate the opening of the CDS account); or
- h) Global, Regional and Country funds approved by the SEC.

IMPORTANT - Joint Applicants should not apply through a separate Application Form either individually or jointly.

Applications will NOT be accepted from individuals under the age of 18 years or if made in the names of Sole Proprietorships, Partnerships, Unincorporated Trusts, or any Non-Corporate Bodies.

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

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

Eligible Applicants may fall into one of the following categories.

- a) Retail Individual Investor Category
- b) Unit Trust Investor Category
- c) Employees and Directors
- d) Non-Retail Investor Category

Please refer Section 1.9 Basis of Allotment for the definitions of the aforementioned Applicant categories.

2.2 PROCEDURE FOR APPLICATION

Applicants applying for the Shares should submit Applications in the manner set out in this Prospectus.

The Prospectus and Application Form will be made available in soft copy and hard copy forms from the Trading Participants of the CSE listed in Annexure 6 and the Collection Points that have been set out in Annexure 5. The Prospectus and Application Form can also be downloaded from the websites of www.cse.lk, www.wealthtrust.lk and www.asiasecurities.lk.

Applicants have the option to submit an Application using ONE of the following modes of Application:

(I) Physical Application Form

Reference to 'Physical Application Form' made herein is the printed version of the Application Form made available free of charge, in hard copy form, with the Collection Points set out in Annexure 5 and soft copy form which should be downloaded and printed by an Applicant. For the avoidance of doubt, the soft copy of the Application Form is not editable, hence should be printed and manually completed in accordance with the instructions given on this Prospectus.

▶ PROCEDURE FOR APPLICATION

(II) CSE Mobile App

ONLY for Individual Applicants as detailed in Section 2.2.2 of this Prospectus.

(III) CDS Web Portal

ONLY for Individual Applicants as detailed in Section 2.2.3 of this Prospectus.

(IV) CDS eConnect

ONLY for institutional investors having a valid eConnect registration as detailed in Section 2.2.4 of this Prospectus.

The Mobile App and CDS Web Portal, currently, does not facilitate Applications made through Powers of Attorney (POA), Margin Trading, Joint Applicants and the categories referred to in Section 2.1 (c), (d), (e), (f), (g) or (h) to apply except CDS e-connect users. Therefore, such Applicants may send their Applications physically.

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

AN APPLICANT WHO SUBMITS AN APPLICATION EITHER VIA PHYSICAL APPLICATION FORM OR VIA CSE MOBILE APP OR CDS WEB PORTAL OR CDS eCONNECT SHALL USE ONLY ONE OF SUCH MODE TO MAKE AN APPLICATION. TWO OR MORE APPLICATIONS SUBMITTED VIA A PHYSICAL APPLICATION FORM OR VIA CSE MOBILE APP OR CDS WEB PORTAL OR CDS eCONNECT BY AN APPLICANT WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.

EMPLOYEES AND DIRECTORS OF WTS SHALL CHOOSE TO APPLY EITHER THROUGH THE EMPLOYEES AND DIRECTOR INVESTOR CATEGORY OR THROUGH THE RETAIL INDIVIDUAL/NON-RETAIL INVESTOR CATEGORY. EMPLOYEES WILL NOT BE ALLOWED TO SUBMIT MULTIPLE APPLICATIONS EITHER UNDER THE SAME CATEGORY OR DIFFERENT CATEGORY.

The Applicant should absolve CSE and CDS for errors/omissions of the information recorded in the CDS accounts if such errors/omissions were initiated by such Applicants.

2.2.1 USE OF PHYSICAL APPLICATION FORM

An Applicant who wishes to use a physical Application Form (also subject to Section 2.2.2 in this Prospectus) must apply for the Offered Shares on the Application Form that form part of this Prospectus, the physical Application Form should be legibly completed in accordance with the instructions given therein and be received by the Registrar to the Offer in the manner stipulated under Section 2.10 of this Prospectus. Applicants are also advised to refer Section 2.5 of this Prospectus for more information on completion of the Application Form.

Payments can be made by way of a cheque or bank draft or bank guarantee drawn upon a licensed commercial bank operating in Sri Lanka or RTGS transfer (for Applications over LKR 100 Mn ONLY) directed through any licensed commercial bank operating in Sri Lanka.

2.2.2 APPLICATION via CSE MOBILE APP

RESIDENT AND NON-RESIDENT INDIVIDUAL APPLICANTS WHO HAVE A VALID CDS ACCOUNT AT THE TIME OF APPLICATION HAVE THE OPTION OF APPLYING FOR THE SHARES ON OFFER VIA CSE MOBILE APP IN THE MANNER SET OUT IN THIS SECTION.

Following individual Applicants, however, are NOT permitted to apply via the CSE Mobile App:

- a) Applicants of a Joint Application
- b) Applicants holding a Power of Attorney (POA)
- c) Applicants applying under a margin trading account

Following procedure to be followed when making an Application via CSE Mobile App:

Important: CSE Mobile App is now integrated with the Helakurusuper Payment App. Only the LOCAL INDIVIDUAL Applicants, with applied share values less or equal to LKR 49,900.00 will be able to use the 'Helakuru' app after completing the Applications on the said eIPO platform. IF THE APPLICANT HAS ALREADY MADE A PAYMENT TO THE IPO ACCOUNT PRIOR TO STARTING THE APPLICATION PROCESS, SUCH APPLICANTS SHOULDN'T SELECT THE 'Helakurusuper' OPTION.

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

Please note that the Applicants who wish to use the integrated Helakurusuper Payment App platform through the CSE Mobile App and CDS Web Portal should have the 'Helakuru' Mobile App installed in their mobile devices.

Alternatively, Individual Applicants who wish to use the payment modes of CEFTS transfers or SLIPS (less than LKR 5.0 Mn) and RTGS transfers (less than LKR 100.0 Mn) must ensure to initiate such transfers prior to making the Application using the CSE Mobile App, in order to attach the proof of payment which is a mandatory requirement in submitting their Applications via CSE Mobile App.

- If the Applicant is a first-time user of the CSE Mobile App, he/she has to go through the registration process by following the instructions prompted via the App and complete the user account creation process, prior to making an Application.
- Existing users can directly proceed to apply after biometric/PIN verification.
- Applicants should follow the instructions provided in the CSE Mobile App and complete the Application. It is the responsibility of the Applicant to attach documents required in relevant sections within the Application Form as prompted by the CSE Mobile App.
- If the share value applied for is equal to or lesser than LKR 49,900.00 the system will automatically enable the user to perform the payment through Helakurusuper Payment App, integrated to the CSE Mobile App. Applicant can select this online payment gateway or use any other valid payment option as instructed in Section 2.11 of this Prospectus.
- Upon submission of the Application, an 'In-App Reference Number' will be generated for future reference of the Applicant.

2.2.3 APPLICATIONS MADE via CDS WEB PORTAL

Important: CDS Web Portal is now integrated with the Helakurusuper Payment App. Only the LOCAL INDIVIDUAL Applicants, with applied share values less or equal to LKR 49,900.00 will be able to use the Helakurusuper app after completing the Applications on the said eIPO platform. IF THE APPLICANT HAS ALREADY MADE A PAYMENT TO THE IPO ACCOUNT PRIOR TO STARTING THE APPLICATION PROCESS, SUCH APPLICANTS SHOULDN'T SELECT THE 'Helakurusuper' OPTION.

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

Please note that the Applicants who wish to use the integrated Helakurusuper Payment App platform through the CSE Mobile App and CDS Web Portal should have the 'Helakuru' Mobile App installed in their mobile devices.

Alternatively, individual Applicants who wish to use the payment modes of CEFTS or SLIPS transfers (less than LKR 5.0 Mn) and RTGS transfers (less than LKR 100.0 Mn) must ensure to initiate such transfers prior to making the Application using the CDS Web Portal, in order to attach the proof of payment which is a mandatory requirement in submitting their Applications via CDS Web Portal.

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

This option is not permitted for Applicants applying via Margin Trading accounts, Power of Attorney and Joint Applicants, joint Applicants, corporate bodies and Unit Trusts.

▶ PROCEDURE FOR APPLICATION

The Applicant must comply with the instructions stated on the web portal when submitting the online Application.

- First time user Applicants of the web portal must first register for the web portal and read the instructions given on the web portal carefully and click on “Apply Now” option. Applicants will be directed to a page to self-register and create a login by validating their mobile number and email address. Once the Applicant logs-in to the web portal the Application can be completed and submitted via the CDS web portal.
- Existing users can directly proceed to apply after log-in verification.
- If the share value applied for is equal to or lesser than LKR 49,900.00 the system will automatically enable the user to perform the payment through Helakurusuper Payment App, integrated to the CDS Web Portal. Applicant can select this online payment gateway or use any other valid payment option as instructed in Section 2.11 of this Prospectus.

2.2.4 APPLICATIONS MADE via CDS e-Connect

Institutional users (CDS Account types of Local Customer & Foreign Customer) who are registered to the CDS eConnect facility are allowed to apply for the IPO through their registered CDS eConnect. Registered eConnect Institutional users (Applicant categories referred to in Section 2.1 (b), (c), (d), (e), (g) or (h)), have an option for “eIPOs” within their eConnect facility, through which they are enabled to select the relevant IPO and apply. The Mobile App/CDS Web Portal, currently, does not facilitate Applications made through Powers of Attorney (POA), Margin Trading, Joint Applicants and the categories referred to in Section 2.1 (b), (c), (d), (e), (g) or (h) to apply except CDS e-connect users. Therefore, such Applicants may send their Applications physically. CDS e-Connect Applicants may use the payment modes of CEFTS or SLIPS transfers (less than LKR 5.0 Mn) and RTGS transfers (less than LKR 100.0 Mn), and must ensure to initiate such transfers prior to making the Application in order to attach the proof of payment which is a mandatory requirement in submitting their Applications via CDS e-Connect.

2.3 APPLICANT CATEGORIES

Retail Individuals and Non-retail Investor Category

‘Retail Individual Investor’ in respect of this Offer shall mean an individual who submits an Application for a maximum of 14,200 shares i.e., for a value of not more than LKR 100,000.

‘Non-Retail Investor’ is an Investor who does not fall under Retail Individual Investor Category, Unit Trust Investor Category and Employee and Director Category.

Applicants falling under the ‘Retail’ and ‘Non-Retail’ Investor Categories should apply for the Shares on the **WHITE coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Furthermore, exact size copies of the Application form will also be permissible. The completed Physical Application Forms should be submitted to the Registrars to the Offer in accordance with Section 2.10 of this Prospectus.

Individual Applicants have the option of making an Application via CSE Mobile App, subject to the instructions provided under Section 2.2.2 of this Prospectus.

All non-resident Applicants and Corporate Applicants should ensure that the passport number/Company registration number is stated in the relevant cages of the Application Form.

Unit Trust Investor Category

‘Unit Trust Investors’ as defined by the SEC Directive dated June 06, 2011 (Ref: SEC/LEG/11/06/01), shall mean growth and balanced Unit Trusts operated by managing companies licensed under the SEC to operate such Unit Trusts, where such Unit Trusts comprises of not less than 500 Unit Holders resident in Sri Lanka, who together hold at least 50% of that Unit Trust.

Applications submitted under the Unit Trust Investor Category should accompany a confirmation by the trustee confirming that such Unit Trust is in conformity with the criteria defined by the SEC Directive dated June 06, 2011 (Ref: SEC/LEG/11/06/01) and relevant Rules set out under Rule 2.1.1 (g) of the CSE Listing Rules.

Applicants applying under the Unit Trust Investor Category must apply for the Shares using the separate **YELLOW coloured** Application Form printed for this purpose, which constitutes part of this Prospectus. Furthermore, exact size copies in Yellow coloured paper of the Application form will also be permissible.

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

Applicants applying under the Unit Trust Applicant category should submit their Application Forms directly to the Managers and Financial Advisors to the Offer who will forward the same to the Registrars to the Offer in accordance with Section 2.10.

Employee and Director Category

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

Physical Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (cheque or bank draft or bank guarantee) for the full amount payable on the Application and the Company seal/ rubber stamp of the respective employer placed thereon should be submitted to **WealthTrust Securities Limited, No. 102/1, Dr. N.M. Perera Mawatha (Cotta Road), Colombo 08, Sri Lanka**, for onward transmission to the Registrars to the Issue in accordance with Section 2.10.

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

2.4 INSTRUCTIONS TO ALL APPLICANTS

Applicants for Shares offered under this Prospectus should make note of the following:

- a) Applicants should apply through one (01) Applicant Category.
- b) Only one (01) Application either by using physical Application Form or via CSE Mobile App, CSE Web Portal or CSE e-Connect should be submitted by an Applicant.
- c) An Applicant of a Joint Application, applying through another Application, is deemed to have made multiple Applications and will be rejected.
- d) An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

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

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part, for whatsoever reason.

Care must be taken to follow the instructions on the reverse of the Application Form or in the CSE Mobile App, CDS web portal and CDS e-Connect. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

► PROCEDURE FOR APPLICATION

All resident Applicants should indicate in the Application for Shares, their NIC number or the Company Registration number as the case may be, the passport number may be indicated only if the Applicant does not have an NIC number.

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

Please note that upon the allotment of Shares under this Offer, the allotted Shares would be credited to the Applicant's CDS account so indicated in the Application Form. PLEASE NOTE THAT SHARE CERTIFICATES WILL NOT BE ISSUED.

In instances where there is a discrepancy between the CDS account details provided in the Application Form and records held by CDS, the information held in the CDS account will take precedence in order to mitigate risk of transferring shares to an incorrect party.

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

You can open a CDS account through any trading participant of the Colombo Stock Exchange (CSE) as set out in Annexure 6, or through any Custodian Banks as set out in Annexure 7 of this Prospectus.

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

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

Operation of a 'locked' balance in the CDS

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

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

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

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

2.5 IDENTIFICATION INFORMATION

All Applicants should disclose their identification/ registration information by filling in the space provided in the Application Form issued for this purpose and individual Applicants applying using the CSE Mobile App by completing the relevant fields therein. Individual Applicants applying through CSE Mobile App are advised to follow the instructions provided under Section 2.2.2 of this Prospectus.

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

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

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

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

Table 2.1: Identification Information for Applicants

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

* In the event Applicant/s are Sri Lankan citizens, the passport number will be accepted only when the NIC number is not available. The CDS account must be for the same passport number.

** Foreign citizens must state the passport number in the space provided.

***The Company registration number must be provided. The common seal or rubber stamp should be affixed, and the Application Form duly signed as stipulated in the constitutional documents of such Applicants.

A valid CDS account number must be stated in the Application Form and any Application Form which does not provide the appropriate identification information will be rejected. All information about the Applicant (i.e., name, address, nationality and NIC or passport number) will be downloaded from the database of the CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application Form, the information in the CDS shall take precedence.

If the CDS account number is not indicated in the Application Form or in the CSE Mobile App/CDS web portal/CDS e-Connect, or the number indicated in the form or CSE Mobile App/CDS web portal/CDS e-Connect is found to be inaccurate/ incorrect, or the account number indicated is not opened at the time of closing the Offering, such Applications will be rejected, and no allotments of Shares will be made.

2.6 KEY RESPONSIBILITY OF A NON-RESIDENT APPLICANT

Non-resident Applicants may be affected by the laws of the jurisdiction of their residence. If non-resident Applicants wish to apply for the Shares, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

► PROCEDURE FOR APPLICATION

2.7 MARGIN TRADING

Applicants who wish to apply through their Margin Trading account should submit the Applications in the name of the “margin provider/Applicant’s name” signed by the margin provider.

ALL APPLICANTS APPLYING THROUGH A MARGIN TRADING ACCOUNT SHOULD APPLY ONLY VIA THE PHYSICAL APPLICATION FORM.

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

The NIC, passport or Company registration number of the Applicant as the case may be, must be stated in the Application Form.

Resident Applicants may use the passport for purposes of identification, only if they do not have an NIC number.

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

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications.

2.8 APPLICATIONS MADE UNDER POWER OF ATTORNEY

In the case of Applications made under Power of Attorney (POA), a copy of the said POA duly registered in accordance with the laws of Sri Lanka, certified by a Notary Public to be a true copy of the original, should be lodged with the Registrars to the Offer along with the Application Form. The original POA should not be attached.

APPLICANTS APPLYING UNDER POWER OF ATTORNEY SHOULD APPLY ONLY VIA THE PHYSICAL APPLICATION FORM.

2.9 JOINT APPLICATIONS

If the ownership of the Shares is desired in the name of one Applicant, full details should be given only under the heading, SOLE/FIRST APPLICANT in the Applicant Forms. In the case of Joint Applicants, the signatures, and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.

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

APPLICANTS OF JOINT APPLICATIONS SHOULD APPLY ONLY VIA THE PHYSICAL APPLICATION FORM.

2.10 SUBMISSION OF PHYSICAL APPLICATIONS

Physical Application Forms properly and legibly filled in accordance with the instructions thereof, along with the **applicable remittance through a cheque or bank draft or bank guarantee or RTGS transfer for Applicants over LKR 100.0 Mn (**RTGS - Below LKR 100.0 Mn or CEFT or SLIPS permitted only for online Applications via the CSE Mobile App and CDS Web portal)** for the full amount payable on Application should be enclosed in a sealed envelope marked “**WealthTrust Securities Limited – IPO**” on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Offer at the following address prior to 4.30 p.m. Local Time on the Offer Closing Date.

Central Depository Systems (Pvt) Ltd
Ground Floor M&M Center,
341/5, Kotte Road
Rajagiriya.

Applications may also be handed over to the Managers and Financial Advisors to the Issue, Trading Participants of the CSE as set out in Annexure 6, for onward transmission to the Registrars to the Issue prior to 4.30 p.m. Local Time on the Offer Closing Date.

In the case of investors applying under the Unit Trust Category the Application Forms should be submitted to the Managers and Financial Advisors to the Issue who will forward the same to the Registrars to the Issue.

In the case of Applications dispatched by courier or post, such Applications should reach the Registrars to the Issue no later than 4.30 p.m. on the market day immediately following the Closing Date. Any Applications received after the above deadline shall be rejected even though the courier or post mark is dated prior to the Closing Date.

In the case of Applications dispatched by hand, such Applications should reach the Registrars to the Issue no later than 4.30 p.m. on the date of closure of the Offering. Any Applications received after the above deadline shall be rejected.

The subscription list for the Offered Shares will open at 9.00 a.m. on 17th December 2025 and shall remain open for fourteen (14) Market Days until closure at 4.30 p.m. on 7th January 2026.

In the event of an over subscription of the offered Shares prior to the date scheduled as the Issue Closing Date of the period for subscription, the Company shall inform the CSE in writing immediately of such a fact and the subscription list will be closed at 4.30 p.m. on the same day on which it is fully subscribed with notification to the CSE.

2.11 PAYMENT OF APPLICATION MONIES

MODE OF REMITTANCE

Table 2.2: Summary of Modes of Remittance

Type of Application	Mode of Remittance
Physical Application*	<ol style="list-style-type: none"> Cheque deposits Bank drafts Bank Guarantee (For Applications inclusive and above LKR 10.0 Mn) RTGS (For Applications above LKR 100.0 Mn)
Online Application*	CSE Mobile App/Web Portal <ol style="list-style-type: none"> CEFT (For Applications less than LKR 5.0 Mn) SLIPS (For Applications less than LKR 5.0 Mn) RTGS (Only for Applications less than LKR 100.0 Mn) Helakurusuper Payment App (For Applications inclusive and less than LKR 49,900)
	CDE e-Connect <ol style="list-style-type: none"> CEFT (For Applications less than LKR 5.0 Mn) SLIPS (For Applications less than LKR 5.0 Mn) RTGS (Only for Applications less than LKR 100.0Mn)

* Please note the minimum subscription per Application is 100 Shares (LKR 700/-), which will be the minimum transaction amount unless stated otherwise in the above table.

- Payment should be made separately in respect of each physical Application by way of a cheque or bank draft or bank guarantee drawn upon a licensed commercial bank operating in Sri Lanka or RTGS transfer (for Applications over LKR 100.0 Mn ONLY) directed through any licensed commercial bank operating in Sri Lanka.
- Online Applications are capped at LKR 100 Mn. Payment should be made separately in respect of each online Application (made via the CSE Mobile App, CDS Web portal and CDS e-Connect) by way of CEFT or SLIPS or RTGS transfer (below LKR 100 Mn) directed through any licensed commercial bank operating in Sri Lanka. Remittances on Applications will be deposited in a separate bank account in the name of **"WealthTrust Securities Limited IPO"**.

► PROCEDURE FOR APPLICATION

- c) **Cash will not be accepted.** Anyone wishing to pay cash should obtain a bank draft from any Licensed Commercial Bank in Sri Lanka. Bank guarantees should be valid up to one (01) month from the date of opening of the Offer (i.e. 17th December 2025).
- d) Payments for Applications for Shares may be supported by a cheque or bank draft or bank guarantee on the Offer Opening Date. In such instances, Application Forms should be accompanied by only one cheque or bank draft or bank guarantee and should be issued for the full amount indicated in the Application Form. Any Application for Shares accompanied by two or more cheques or bank drafts, or bank guarantees will be rejected at the outset.

However, bank guarantees are permitted only for Applications with a value inclusive and above LKR 10,000,000/-.

Physical Applications accompanying payments made via RTGS in the event the value of such Application is below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) or by way of CEFT or SLIPS or direct deposits will be rejected.

2.11.1 CHEQUES OR BANK DRAFTS – RESIDENT SRI LANKAN INVESTORS

Cheques or bank drafts should be drawn on any licensed commercial bank in Sri Lanka and crossed "Account Payee Only" and made payable to **"WealthTrust Securities Limited IPO"**. Cheques or bank drafts accompanying Application Forms made for less than hundred (100) Shares or for a number which is not in multiples of hundred (100) Shares will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of Joint Applicants, to the first named Applicant. In the event that cheques are not realized within two (02) Market Days from the day of presenting the same to the bank for clearing, the cheques will be returned, and no allocation of Shares will be made to the investors.

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

2.11.2 BANK GUARANTEES – RESIDENT SRI LANKAN INVESTORS

Applications made by resident Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 2.11 will be accepted. Bank guarantees will be presented to the respective banks only after the Shares have been allotted. Bank guarantees should be issued by any licensed commercial bank in Sri Lanka and in favour of **"WealthTrust Securities Limited IPO"** in a manner acceptable to the Company and payable on demand. Bank guarantees should be valid for a minimum of one (01) month from the date of opening of the Offer (i.e., 17th December 2025).

2.11.3 Electronic Fund Transfers – Resident Sri Lankan Applicants

An Applicant who wishes to remit the funds by way of an electronic fund transfer mechanism recognized by the banking system of Sri Lanka may do so in the manner specified below.

As set out in table 2.2 of section 2.11, payments for online Applications can be made by way of a CEFT or SLIPS or RTGS transfer, for the amount payable in full on the Application value and should be remitted in favor of the **bank account "WealthTrust Securities Limited IPO", bearing account number 0009 1100 1068 opened at Sampath Bank PLC – Navam Mawatha Branch (Bank Code: 7278, Branch Code: 009)**, with the value on the Offer Opening Date.

In case of a RTGS transfers the Applicants should obtain a confirmation from the Applicant's bank to the effect that arrangements have been made to transfer payment in full for the total value of Shares applied for to the credit of **account "WealthTrust Securities Limited IPO", bearing account number 0009 1100 1068 opened at Sampath Bank PLC – Navam Mawatha Branch (Bank Code: 7278, Branch Code: 009)**, with the value on the Offer Opening Date.

It is the responsibility of the Applicant to make available sufficient funds in their bank accounts for fund realization on the Offer Opening Date. In the event funds are not made available as above, the Application will be rejected without an allotment and money will be refunded to the Applicant.

2.11.4 PAYMENT OPTION FOR CSE MOBILE APPLICANTS

CSE Mobile App is now integrated with the Helakurusuper Payment App.

Only **LOCAL INDIVIDUAL** Applicants, with applied share values less or equal to LKR 49,900.00 will be able to use the Helakurusuper app after completing the Applications on the said eIPO platform. **IF THE APPLICANT HAS ALREADY MADE A PAYMENT TO THE IPO ACCOUNT PRIOR TO STARTING THE APPLICATION PROCESS, SUCH APPLICANTS SHOULD NOT SELECT THE 'Helakurusuper' OPTION.**

Customer charges of LKR 100.00 charged by 'Helakurusuper' will apply for such payment and shall be borne by the Applicants.

Please note that the Applicants who wish to use the integrated Helakurusuper Payment App platform through the CSE Mobile App should have the 'Helakurusuper' Mobile App installed on their mobile devices.

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

IMPORTANT - When cheque deposits, CEFT, RTGS or SLIPS transfers are made, ensure to enter the CDS account number of the Applicant in the 'Beneficiary Narration/Beneficiary Remark/Reference /Remark / Comment' field to identify the payments. If the payment cannot be identified, Application may get rejected.

2.11.5 FOREIGN CURRENCY REMITTANCE

This section is applicable to citizens of Sri Lanka who are above 18 years of age and resident overseas, corporate bodies incorporated or established outside Sri Lanka, global, regional or country funds approved by the SEC and foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age. Applications submitted by such investors should be in accordance with the provisions of Foreign Exchange Act No.12 of 2017 and any directions issued thereunder.

Person's resident outside Sri Lanka should make their payments using one of the following methods as the case may be.

A Foreign Investor may invest only through an Inward Investment Account (IIA) maintained with any licensed commercial bank in Sri Lanka. The procedure for arranging payments through an IIA is presented below:

A Foreign Investor may use the services of a Custodian bank as an intermediary when investing in the Sri Lankan securities market.

The intermediary may open an IIA, on the investor's behalf. In conjunction with the IIA, an account with the CDS must be opened.

In respect of global, regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC.

Payment for Shares should be made through a cheque, bank draft or unconditional bank guarantee or RTGS transfer against the funds in the IIA and made payable to **"WealthTrust Securities Limited IPO"**.

Cheques or Bank Drafts or Bank Guarantee or RTGS transfers should be endorsed by the issuing custodian bank, to the effect that, arrangements have been made to facilitate such payment to be made against funds available in the investor's IIA account. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.

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

► PROCEDURE FOR APPLICATION

2.11.6 Restrictions Applicable to Foreign Citizens Resident in Sri Lanka

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee Accounts, only if they possess dual citizenship where one such citizenship is Sri Lankan. Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form.

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts drawn upon Sri Lanka Rupee Accounts maintained with any licensed commercial bank in Sri Lanka but may do so via an IIA account as detailed in Section 2.11.5 above. Applications made by foreign citizens not in accordance with the foregoing shall be rejected.

2.12 BANKING OF PAYMENTS

All cheques and bank drafts received in respect of Applications will not be banked or called on until the Market Day after the Issue Closing Date of the Subscription List, in terms of the CSE Listing Rules. Bank guarantees will be presented to the respective banks only after the Shares have been allotted.

2.13 REJECTION OF APPLICATIONS

- Application Forms, which are incomplete in any way and/or are not in accordance with the terms and conditions specified in this Prospectus, will be rejected.
- Any Application form which does not provide the NIC, Passport (where NIC is not available) or Company Registration Number as the case may be, will be rejected.
- If the CDS account number is not indicated in the Application Form or is not opened at the time of the closure of the subscription list or the CDS number indicated in the Application Form is found to be inaccurate/incorrect, the Application will be rejected and no allotments will be made.
- **Applications with two or more cheques, bank drafts or bank guarantees will be rejected in the event the value of such Application is below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-).**
- Applications made for less than One Hundred (100) Shares or for a number which is not in multiples of One Hundred (100) Shares will be rejected.
- Two or more Applications submitted by the same Applicant either under the same category or different category will be construed as multiple Applications and will be rejected.
- Application Forms accompanied by cash will not be accepted.
- Any Application Forms accompanying fund transfers confirmations without the requisite payment references will be rejected.
- Applications delivered by hand after 4.30 p.m. on the Issue Closing Date will be rejected.
- In the case of Applications dispatched by courier or post, such Applications should reach the Registrars to the Issue no later than 4.30 p.m. on the Market Day immediately following the Closing Date. Any Applications received after the above deadline shall be rejected even though the courier or post mark is dated prior to the Closing Date.
- Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.
- In the event cheques are dishonoured/ returned on first presentation, the Application will be rejected.
- **Physical Applications accompanying payments made via RTGS in the event the value of such Application is below Sri Lankan Rupees One Hundred Million (LKR 100,000,000/-) or by way of CEFT or SLIPS or direct deposits will be rejected.**

Notwithstanding any provision herein, the Board of Directors shall reserve the right to refuse any Applications or to accept any Applications in full or part for any reason.

2.14 RETURNING OF MONIES ON REJECTED APPLICATIONS

Where an Application Form is rejected at the outset as per Section 2.13, the cheque or bank draft or bank guarantees received in respect of the Application will be returned via ordinary post at the risk of the Applicant. In the case of Joint Applicants, the cheque or bank draft received in respect of the Application will be returned to the first named Applicant.

Where the Application Form is accepted and the cheque or bank draft or bank guarantee is not honored by the bank at the first presentation, the Application will also be rejected, and the dishonored cheque or bank draft will be returned via ordinary post at the risk of the Applicant before the expiry of eight (08) Market Days from the Closure Date (excluding the Offer Closure Date). In the case of Joint Applicants, the dishonored cheque or bank draft will be returned to the first named Applicant.

2.15 REFUNDS OF APPLICATIONS

Where an Application is accepted only in part or rejected in its entirety subsequent to cheques being realized, the balance/entirety of the monies received on Application as the case may be, will be refunded, such refunds will be made as expeditiously as possible but not exceeding on or before the expiry of eight (08) Market Days from the Closure Date (excluding the Offer Closure Date) as required by the Listing Rules. In terms of Rule 2.4(l) of the Listing Rules, Applicants would be entitled to receive interest at the rate of last quoted Average Weighted Prime Lending Rate (AWPLR) published during the immediately preceding week by the Central Bank of Sri Lanka or any other authority (in the event Central Bank of Sri Lanka ceases to publish the AWPLR) plus five per centum (5.00%) for the delayed period on any refunds not made by the expiry of the aforementioned period.

In the event accurate bank account details are provided by an applicant, refunds will be made to such bank account via an electronic fund transfer mechanism identified by the banking system in Sri Lanka (SLIPS, CEFTS, RTGS etc.). Refunds via SLIPS however is subject to a maximum of LKR 5,000,000/-.

In the event of refunds over Rupees Five Million (LKR 5,000,000/-), the Bankers to the Issue will make refund payments via RTGS transfers to the bank account specified by the Applicant.

In the absence of bank account details, refunds will be made via a crossed cheque drawn in favor of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a Joint Application, a crossed cheque will be drawn in favor of the Applicant whose name appears first in the Application Forms.

2.16 SUCCESSFUL APPLICANTS AND CDS LODGEMENT

The Company will credit the investors' CDS accounts with the offered shares allotted within a period of twelve (12) Market Days from the date of closure of the subscription list, as required by the Listing Rules. A written confirmation informing successful Applicants on their allotment of Shares will be dispatched within two (02) Market Days of crediting the CDS Accounts.

Upon allotment, Offered Shares shall not be transferable by the shareholders during the period between the date of allotment of the Offered Shares and up to the date of listing (excluding the date of listing) of the Shares on the CSE.

2.17 DECLARATION TO THE CSE AND SECONDARY MARKET TRADING OF SHARES

The Company will submit to the CSE a "Declaration" on the market day immediately following the day on which Investors' CDS accounts are credited with securities which shall be no later than twelve (12) Market Days from the date of closure of the Subscription List. As per the CSE Listing Rules, Trading of Shares of the Company on the Secondary market will commence on or before the third (3rd) market day from the receipt of the Declaration of the Company by the CSE.

3 THE COMPANY

3.1 OVERVIEW OF THE COMPANY

WealthTrust Securities Limited (WTS) is a Primary Dealer licensed by the Central Bank of Sri Lanka under the provisions of the Local Treasury Bills Ordinance No. 8 of 1923 and the Registered Stock and Securities Ordinance No. 7 of 1937. WTS was founded by a group of industry veterans; Late Dr. Wickrema Weerasooria, Mr. E. M. M. Boyagoda, Mr. D. H. B. Ranawana, Mr. Romesh Gomez and Ms. Priyanthi Abeysekere while Dr. S. A. B. Ekanayake acted as the inaugural Chairman and Mr. W. Senaka Weerasooria and Mr. M. R. C. Cooray were inaugural Board members. The Co-Founders collectively held over 120 years of industry experience across Banking and Financial Services, Capital Markets and Securities, Law, Policy and Regulation, Education and Academia, Public Service and Diplomacy, Hospitality, Construction and Diversified Corporate Sectors.

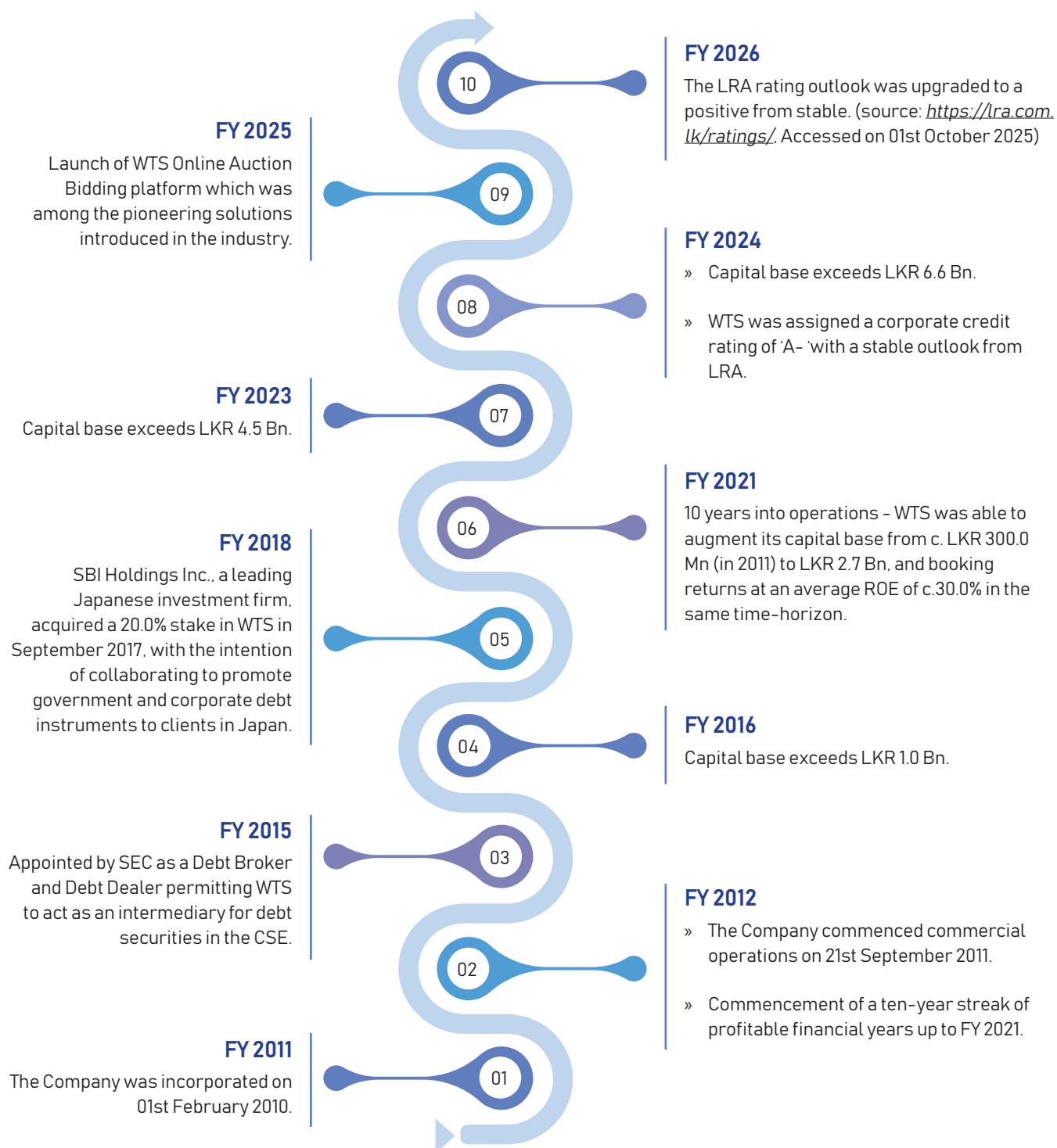
Beyond their diverse industry backgrounds, the founders have held senior leadership roles in global and domestic financial institutions and served as consultants to institutions such as the World Bank, Asian Development Bank, the Central Bank of Sri Lanka, and the Securities and Exchange Commissions of Sri Lanka and Bangladesh. Some of these veterans have also contributed to the development of Sri Lanka's financial market frameworks through leadership positions in the Forex Association of Sri Lanka and the Association of Primary Dealers, and through academic and professional roles such as lecturing at universities in Sri Lanka and overseas, publishing reference texts in law and finance, and training professionals in banking and capital markets.

The Board of Directors comprises of eminent individuals who also serve on the Board of Directors of other leading listed companies, supported by a management team of seasoned professionals with collectively over 100 years of market experience. WTS is rated 'A-' with a positive outlook by Lanka Rating Agency Limited (LRA), reflecting its strong standing.

As a Primary Dealer, WTS functions as a specialized intermediary in the government securities market, playing a vital role in the country's financial system and broader economy. Incorporated in 2010, the Company commenced operations in 2011 and as recognized by the CBSL, is one of only five non-bank Primary Dealers currently operating in the country (*source: CBSL website, <https://www.cbsl.gov.lk/en/authorized-financial-institutions/registered-authorised-primary-dealers>, accessed on 30th September 2025*) with shareholder's funds exceeding LKR 6.3 Bn as of 30th September 2025 as per unaudited accounts of the company.

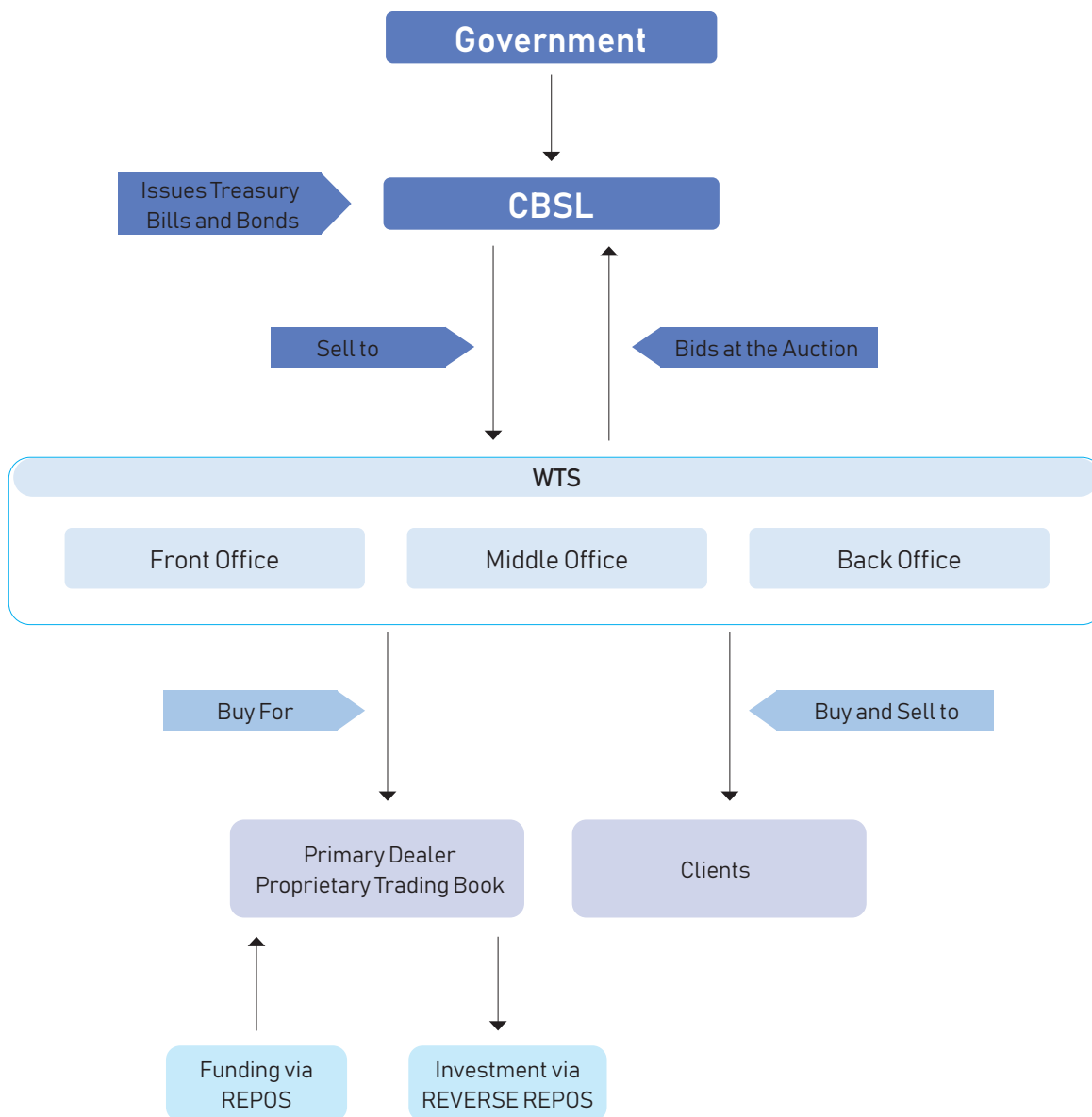
The Company's primary objective is to meet each client's specific investment requirements while maintaining a secure and compliant operating environment. The Company provides investment solutions that combine client-focused advisory with professional expertise in Debt Portfolio Management, Leveraged Bond Trading, and Yield Curve Management.

Key milestones and achievements of WTS*



*Source: Latest available company information as of September 2025

3.1.1 OVERVIEW OF OPERATION



Front Office Operations:

The front office, led by the Deputy CEO and Head of Trading and Research Development and supported by four staff, manages investment decisions, trading, and client transactions while ensuring compliance with CBSL ratios. The team also handles client engagement, funding needs, and rate setting, combining both dealing and marketing functions to execute transactions efficiently.

Middle Office Operations:

The middle office reviews and verifies deals entered by the front office, ensuring client instructions, rates, and internal limits are properly met. They also perform risk checks, such as stress testing and conformity to market standards, before passing transactions to the back office.

Back Office Operations:

The back office is responsible for the completion of transactions. It consists of the Finance and Business Processing Department, which monitors haircuts and allocates securities. Following final approval, the back office ensures the deals are processed and settled.

3.1.2 KEY STRENGTHS OF WTS**a) A Dealing room integrated with a robust research team for faster decision making**

A key strength of WTS lies in its seamless integration between research and front-office operations. The Front Office/Dealing Team executes deals based on the insights and recommendations provided by the in-house Research Team. The Head of Trading & Research Development holds a Master's Degree in Applied Finance, is CFA Level 1 qualified and possesses over 18 years of experience in financial markets. He has been with the firm since its inception, where he has been instrumental in developing and leading its research and dealing functions.

The presence of Research Team members in the Dealing Room during trading hours, many of whom serve dual roles, ensures the real-time flow and interpretation of market information. This high level of integration between research and execution enables WTS to respond swiftly and effectively to rapidly changing market conditions, maintaining a competitive edge in the industry.

Utilizing advanced quantitative analysis tools and a comprehensive internal database, the Research Team forecasts interest rate and yield curve movements, which in turn shape the day-to-day strategic decision-making of the Dealing Team.

b) Qualified and experienced dealing team and support staff, led by seasoned industry professionals

WTS is supported by a highly qualified and diverse Dealing Team comprising six professionals with a combined industry experience of over 80 years. The team brings together advanced academic qualifications with specialized industry certifications and extensive market experience. Their collective expertise spans research, trading, structuring, cashflow management, and business development, providing WTS with a well-rounded and highly capable Dealing Team. The Company also takes pride in the exceptionally low turnover within its Dealing Team, attributing this to its inclusive organizational culture and competitive remuneration packages. Each member of the team also maintains a dedicated client base, which is actively served through the Company's operational framework.

The Dealing Team is further supported by a dynamic Operations Division, which includes a robust Middle Office with 4 employees and Back Office with 13 employees, functioning with deep expertise in compliance, risk management, human resources, and information technology.

Operational leadership is spearheaded by Mr. Romesh Gomez, Managing Director/CEO, who brings 26 years of experience in the financial sector and is recognized as a seasoned investment banker. He is the past President of the Association of Primary Dealers, Sri Lanka, a distinguished member of the ACI (Financial Markets Association), and an Associate Member of ABE UK, reflecting his commitment to professional excellence.

Supporting the leadership team, Ms. Priyanthi Abeyesekere, Deputy Chief Executive Officer, contributes over 28 years of experience in financial markets, investment advisory, and sales and marketing. With close to three decades of hands-on Dealing Room expertise, she possesses a strong command of active fixed income trading and portfolio management. Her analytical acumen and ability to navigate complex market conditions have enabled her to deliver sound investment decisions and consistent value creation.

Both Romesh and Priyanthi have been integral members of WTS since its inception in 2011, providing continuity and strategic direction.

c) Loyal and expanding client base, underpinned by effective relationship management

WTS has cultivated a loyal and steadily expanding client base, reflected by a more than threefold increase in clients over the past five financial years. This sustained growth underscores the effectiveness of WTS's client relationship management, which is characterized by proactive engagement, timely market insights, and advisory services tailored to client needs. By combining strong relationship management with disciplined transaction execution and consistent delivery, WTS has not only reinforced existing client relationships but also successfully attracted new clients, achieving this growth without any major client turnover over its 14 years of operations.

d) Comprehensive Risk Management Initiatives

WTS has implemented a comprehensive set of risk mitigation strategies that go beyond the minimum regulatory requirements set by the CBSL, the SEC and the CSE where applicable, given the company's licensed role as a Debt Broker and Dealer for listed Corporate Debt. These measures are designed to instill dealer discipline, ensure proactive identification and management of risks, and minimize potential impacts on the Company's operations.

Key components of the Company's risk management framework include the implementation of a cut-loss policy, sensitivity analysis, stress testing, gap analysis, and cash flow forecasting. Cut-loss policies involve setting predefined loss thresholds on trading positions to automatically trigger exits when those limits are breached; this serves to mitigate excessive losses and enforce trading discipline. Sensitivity analysis evaluates the potential impact of changes in key market variables such as interest rates, on the Company's portfolios, enabling proactive management of market risk. Stress testing involves simulating severe but plausible adverse market conditions to assess the Company's ability to withstand significant shocks, thereby enhancing financial resilience. Gap analysis identifies mismatches in the maturity or repricing profiles of assets and liabilities, which assists in managing interest rate and liquidity risks. Cash flow forecasting estimates future cash inflows and outflows to ensure that the Company maintains adequate liquidity to meet its operational and financial obligations under both normal and stressed conditions. These risk management activities are overseen by the Senior Compliance and Risk Officer who is responsible for ongoing monitoring and periodic reporting to Senior Management and the Board's Risk Management Committee.

3.2 VISION STATEMENT

"To empower every Sri Lankan citizen by ensuring easy and equitable access to Government Securities and listed Corporate Debt, fostering financial inclusion, economic growth, and long-term wealth creation for all."

3.3 MISSION STATEMENT

"To achieve sustainable profitability through dynamic investment and trading strategies while using digital innovation to improve market access, transparency, and stakeholder value."

3.4 VALUES

- **Customer Centricity:** Focus on catering the diverse needs of its clients, rather than being fixated on competition.
- **Integrity:** Place emphasis on ethical operations and treat the stewardship responsibility bestowed on the Company with respect.
- **Innovation:** Constantly seek novel mechanisms to optimize operations.
- **Unanimity:** An inclusive culture which values and promotes teamwork and team achievement.

3.5 DEGREE OF DEPENDENCY ON KEY COUNTERPARTIES AND SUPPLIERS

Degree of dependency on Key Counterparties

Table 3.1: Contribution to Secondary Market Sales of WTS based on Counterparty Category

Counterparty Category	FY 2024	FY 2025
Banks/PDs, EPF and ETF	45%	48%
Corporates	38%	34%
Individuals	11%	11%
Insurance Companies & Approved Provident Funds	5%	6%
CBSL	1%	0%
Government and Government Guaranteed	0%	1%
	100%	100%

Source: Latest available company information as of September 2025

Table 3.2: Contribution to Secondary Market Sales of WTS from the Top 10 Counterparties

Counterparty	FY 2025
Corporate Category Counterparty 1	15%
Bank/PD,EPF and ETF Category Counterparty 1	6%
Bank/PD,EPF and ETF Category Counterparty 2	4%
Bank/PD,EPF and ETF Category Counterparty 3	4%
Corporate Category Counterparty 2	3%
Bank/PD,EPF and ETF Category Counterparty 4	3%
Bank/PD,EPF and ETF Category Counterparty 5	3%
Bank/PD,EPF and ETF Category Counterparty 6	3%
Bank/PD,EPF and ETF Category Counterparty 7	3%
Bank/PD,EPF and ETF Category Counterparty 8	2%
	47%

Source: Latest available company information as of September 2025

As presented in the tables above, the category of Banks/PDs, EPF, and ETFs have collectively accounted for the largest share of WTS's secondary market sales turnover, contributing an average of approximately 47% over the financial years FY2024 and FY2025. However, as observed in FY2025, the single largest counterparty contributed only 15% of the total turnover from outright sales. This counterparty is a well-established investment manager in the country and its relationship with WTS has been since inception. Each of the remaining top 10 counterparties contributed between 2% to 6%. This distribution indicates a well-diversified base of counterparties with no significant dependence on any single counterparty.

3.6 DEGREE OF DEPENDENCY ON KEY SUPPLIERS

Given the nature of its business, WTS has no supplier dependency for its operations. However, the Company's funding is primarily sourced from other financial institutions including banks, corporates, the EPF, the ETF and other Primary Dealers etc. through repurchase agreements (REPOs).

3.7 STATED CAPITAL

The Stated Capital of the Company as per unaudited accounts as of 30th June 2025 is LKR 329,572,770 constituting of monies received by the Company from the issue of 32,957,277 Ordinary Voting Shares.

On 29th September 2025, a sub-division of shares of the Company was carried out at a ratio of 1:35 resulting in the total number of Ordinary Voting Shares in the Company increasing to 1,153,504,695. This sub-division of shares does not change the Stated Capital of the Company nor the percentage ownership of the existing Shareholders. Accordingly, the Stated Capital of the Company as per unaudited accounts as of 30th September 2025 is LKR 329,572,770. The post sub-division cost per share, calculated by dividing the Stated Capital by the Number of Shares, is approximately LKR 0.29/- per share – this computation only considers the Stated Capital component of Equity and excludes Reserves such as Retained Earnings.

Table 3.3: Stated Capital of WTS

	Number of Ordinary Shares	Stated Capital (LKR)
FY 2024 ¹	32,957,277	329,572,770
FY 2025 ¹	32,957,277	329,572,770
Pre-IPO (30th June 2025) – Before Share sub-division	32,957,277	329,572,770
Pre-IPO – After Share sub-division ² (30th September 2025)	1,153,504,695	329,572,770

¹ As per the audited accounts of the company, the Stated Capital of both FY2024 and FY2025 are fully paid

² The Company carried out a 1:35 share sub-division on 29th September 2025

In the event of liquidation of the Company, the shareholders of Ordinary Shares shall have the right to an equal share in any surplus assets of the Company available for distribution after paying all the creditors of the Company and all other claims and debts in accordance with the provisions contained in the Companies Act on liquidation.

3.7.1 SHAREHOLDING STRUCTURE OF WTS

WTS shareholder list as at the Initial Listing Application Date is the following.

Table 3.4: Latest shareholder list of WTS (post Share sub-division)

Shareholder	No. of Shares	% of Ownership
Finco Holdings (Private) Limited*	333,102,945	28.88%
Safe Holdings (Private) Limited	132,383,370	11.48%
Iconic Trust (Private) Limited	110,476,800	9.58%
Genesiis Software (Pvt) Ltd*	109,102,980	9.46%
Sinar Maju Company Limited	95,045,300	8.24%
Mr. Wickrema Senaka Weerasooria*	84,358,435	7.31%
Mr. Nilkamal Milinda Weerasooria*	84,358,400	7.31%
Ms. Anarkali Moonesinghe*	68,495,000	5.94%
Dr. Duke Rollo Ebenezer	56,000,000	4.85%
Ms. Shirani Nimalka Boyagoda	23,554,230	2.04%
Wealth Lanka Management (Private) Limited	17,500,000	1.52%
Mr. Ekanayake Mudiyanseelage Arsiri Indika Boyagoda	17,500,000	1.52%
Dr. Sumitha Anura Bandara Ekanayake	14,000,000	1.21%
Dr. Ishani Fernando	4,760,000	0.41%
Mr. Kuruppu Achchige Heshana Kuruppu	2,867,200	0.25%
Mr. Ekanayake Mudiyanseelage Mangala Boyagoda	35	0.00%
Total	1,153,504,695	100.00%

*Please note that the identified shareholders are acting in concert and collectively own 58.90% of the shareholding of WTS.

3.7.2 SHARES ISSUED IN THE LAST TWO YEARS

There were no share issues during the period of two (02) years immediately preceding the date of this Prospectus.

As stated above, the Company carried out a sub-division of Shares on 29th September 2025 whereby each Ordinary Voting Share of the Company was sub-divided into 35 Ordinary Voting Shares resulting in an increase in the total Ordinary Voting Shares of the Company to 1,153,504,695.

3.7.3 RE-PURCHASES OR REDEMPTIONS

The Company has not carried out a Share re-purchase, redemption or Stated Capital reduction exercises in the two (02) years preceding the date of this Prospectus.

3.7.4 CONVERTIBLE DEBT SECURITIES

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

3.7.5 EMPLOYEE SHARE OPTION SCHEME

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

3.7.6 FREE TRANSFERABILITY OF SHARES

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

The Pre-IPO Shares held by non-public Shareholders will be locked-in for a period of 6 months from the date of listing of the Shares of the entity. However, the Pre-IPO Shares held by public shareholders will not be subject to any lock-ins provided however, that any Shares acquired by such public shareholders by way of a transfer in the last 12 months prior to the date of the Initial Listing Application will be locked-in for a period of 6 months from the Date of Listing of the shares of the Company or 12 months from the date of the transfer, whichever is longer, as per 2.1.1.d.iii of the CSE Listing Rules. Any Pre-IPO shares held by public or non-public shareholders which have been issued to them during the last 12 months prior to the date of the Initial Listing Application will be locked-in for such period as may be determined by the SEC at its discretion. Please refer Section 3.9 for further details pertaining to the locked-in Shares.

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

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

There are no statutory restrictions on the free transferability of shares of the Company, save and except the following restrictions set out under the Local Treasury Bills (Primary Dealers) Regulations No. 1 of 2009 as amended and Registered Stock and Securities (Primary Dealers) Regulations No. 1 of 2009 as amended issued under the Local Treasury Bills Ordinance and Registered Stock and Securities Ordinance, respectively.

- a. The Company requires the prior written approval of the CBSL to register a shareholding of a person where such shareholding results in a change of a 'controlling interest' of the Company. A 'controlling interest' means holding of 51% or more of the Shares of the Company;
- b. The Company requires the prior written approval of the CBSL to register a shareholding of more than 10% of the shares of the Company held by a holding Company or a subsidiary of any other Primary Dealer.

The Company will also be responsible for ensuring compliance with (b) above. Accordingly, in the event a holding Company or a subsidiary of any other primary dealer acquires over 10% of the Shares of the Company on the CSE, the Company will take the necessary steps to be in compliance with (b) above, including obtaining approval from the CBSL. Any such purchaser shall not be permitted to vote at general meetings until such time the approval from the CBSL is obtained for such acquisition. In the event the CBSL does not approve such acquisition, the relevant purchaser/shareholder must divest the excess shares in the market, to comply with the Regulations identified in (b), above.

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

3.8 DIVIDEND POLICY

WTS has paid the following dividends to its Ordinary Shares, most recently and over the past three (03) completed Financial Years immediately preceding the date of this Prospectus:

Table 3.5: Dividend Payments

FY	Profits of the FY (LKR)	Dividends paid of the profits of the FY (LKR)	Dividend Payout ratio (%)	Dividend Paid during
FY25	1,193,515,582	-	-	-
FY24	4,906,903,963	4,001,013,428	81.54%	FY24 and FY25
FY23	1,704,926,093	749,778,052	43.98%	FY24

Source: Audited Financial Statements of WTS

The Company did not declare a dividend out of FY2025 profits, as a prudent measure to strengthen its capital base in anticipation of higher core capital requirements expected to be mandated by the CBSL. This approach also positions the Company to adopt a stable and sustainable dividend policy following its listing, subject to prevailing regulatory and financial conditions.

Subject to the provisions of the Companies Act, the Articles of Associations of the Company and the Directions of the CBSL applicable to Primary Dealers, the Board of Directors subsequent to maintaining an equity buffer of LKR 1.0 Bn in excess of the minimum core capital requirement may recommend and declare a maximum payout of 80% from and out of the distributable profits of the Company while not exceeding the Profits After Tax (PAT) for the respective financial year ending 31st March, to the Shareholders, by way of dividends. The exact dividend rate will be determined based on several factors, including but not limited to Company's profits and availability of cash for distribution, any banking and funding requirements by which the Company is bound to from time to time, the operating and investment need of the Company, the anticipated future growth and earnings of the Company and emerging trends in dividend payouts in the industry.

3.9 DETAILS PERTAINING TO THE LOCKED-IN SHARES

Shareholding Structure

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

Table 3.6: Pre and Post IPO shareholding of WTS

Name of Shareholder	Pre-IPO*		Post-IPO	
	No. of Shares	%	No. of Shares	%
Finco Holdings (Private) Limited	333,102,945	28.88%	333,102,945	27.19%
Safe Holdings (Private) Limited	132,383,370	11.48%	132,383,370	10.81%
Iconic Trust (Private) Limited	110,476,800	9.58%	110,476,800	9.02%
Genesiis Software (Pvt) Ltd	109,102,980	9.46%	109,102,980	8.91%
Sinar Maju Company Limited	95,045,300	8.24%	95,045,300	7.76%
Mr. Wickrema Senaka Weerasooria	84,358,435	7.31%	84,358,435	6.89%
Mr. Nilkamal Milinda Weerasooria	84,358,400	7.31%	84,358,400	6.89%
Ms. Anarkali Moonesinghe	68,495,000	5.94%	68,495,000	5.59%
Dr. Duke Rollo Ebenezer	56,000,000	4.85%	56,000,000	4.57%
Ms. Shirani Nimalka Boyagoda	23,554,230	2.04%	23,554,230	1.92%

Name of Shareholder	Pre-IPO*		Post-IPO	
	No. of Shares	%	No. of Shares	%
Wealth Lanka Management (Private) Limited	17,500,000	1.52%	17,500,000	1.43%
Mr. Ekanayake Mudiyanseleage Arsiri Indika Boyagoda	17,500,000	1.52%	17,500,000	1.43%
Dr. Sumitha Anura Bandara Ekanayake	14,000,000	1.21%	14,000,000	1.14%
Dr. Ishani Fernando	4,760,000	0.41%	4,760,000	0.39%
Mr. Kuruppu Achchige Heshana Kuruppu	2,867,200	0.25%	2,867,200	0.23%
Mr. Ekanayake Mudiyanseleage Mangala Boyagoda	35	0.00%	35	0.00%
IPO Shareholders	-	-	71,548,244	5.84%
Total	1,153,504,695	100.00%	1,225,052,939	100.00%

*The Company underwent a 1:35 share split on 29th September 2025

Locked-in Shares – Pre-IPO:

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

Table 3.7: Locked-In Shares – Pre IPO

Shareholders	Category of Shareholders	Locked-in Shares	The time period after which the Shares will be available for trading	No. of Shares	No. of Shares as a percentage of total number of Shares in issue
Non-Public Shareholders:					
Finco Holdings (Private) Limited	Non-Public	Locked-in	6 Months from listing	333,102,945	28.88%
Safe Holdings (Private) Limited	Non-Public	Locked-in	6 months from listing	132,383,370	11.48%
Iconic Trust (Private) Limited	Non-Public	Locked-in	6 Months from listing	110,476,800	9.58%
Genesiis Software (Pvt) Ltd	Non-Public	Locked-in	6 Months from listing	109,102,980	9.46%
Sinar Maju Company Limited	Non-Public	Locked-in	6 Months from listing	95,045,300	8.24%
Mr. Wickrema Senaka Weerasooria	Non-Public	Locked-in	6 Months from listing	84,358,435	7.31%
Mr. Nilkamal Milinda Weerasooria	Non-Public	Locked-in	6 Months from listing	84,358,400	7.31%
Ms. Anarkali Moonesinghe	Non-Public	Locked-in	6 Months from listing	68,495,000	5.94%
Dr. Ishani Fernando	Non-Public	Locked-in	6 Months from listing	4,760,000	0.41%
Total – Non Public Shareholders				1,022,083,230	88.61%

Shareholders	Category of Shareholders	Locked-in Shares	The time period after which the Shares will be available for trading	No. of Shares	No. of Shares as a percentage of total number of Shares in issue
Public Shareholders:					
Dr. Duke Rollo Ebenezer	Public	Not Locked-in	N/A	56,000,000	4.85%
Ms. Shirani Nimalka Boyagoda	Public	Not Locked-in	N/A	23,554,230	2.04%
Wealth Lanka Management (Private) Limited	Public	Not Locked-in	N/A	17,500,000	1.52%
Mr. Ekanayake Mudiyansele Arsiri Indika Boyagoda	Public	Not Locked-in	N/A	17,500,000	1.52%
Dr. Sumitha Anura Bandara Ekanayake	Public	Not Locked-in	N/A	14,000,000	1.21%
Mr. Kuruppu Achchige Heshana Kuruppu	Public	Not Locked-in	N/A	2,867,200	0.25%
Mr. Ekanayake Mudiyansele Mangala Boyagoda	Public	Not Locked-in	N/A	35	0.00%
Total – Public Shareholders				131,421,465	11.39%

* Non-Public is defined under CSE Listing Rules 2.1.1.

Pre-IPO Public holding (number of Pre-IPO Shares held by the 'Public' as a percentage of the total Pre-IPO number of Shares), as per the 'Public' definition provided in the CSE Listing Rules is 11.39%.

The Company hereby confirms that the information furnished herewith shall remain unchanged until the Date of Listing.

Locked-in Shares – Post IPO:

Table 3.8: Locked-in Shares – Post IPO

Category of Shareholders	Locked-in Shares	The time period after which the Shares will be available for trading	No. of Shares	No. of Shares as a percentage of total number of Shares in Issue Post IPO
Non-Public	Locked-in	6 Months from listing	1,022,083,230	83.43%
Public	Not Locked-in	N/A	131,421,465	10.73%
IPO Shares (Public)*	Not Locked-in	N/A	71,548,244	5.84%
Total			1,225,052,939	100%

*Any IPO Applicants allotted under the employees and directors category, and identified investors allotted preferentially under non-retail category who are classified as non-public according to CSE Listing Rule definitions will not be included in the public shareholding.

3.10 TAKEOVER OFFERS

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

3.11 FUTURE STRATEGIES

- **Continue to grow and maintain a strong capital base in order to garner consistent interest income and capitalize on market volatility through capital gains thereby enhancing stakeholder value**

WTS intends to employ its unique asset allocation and trading strategies to leverage on the capital base at any given point, thereby continuing to make consistent returns to all its stakeholders.

- **Integrating technological tools to augment client interaction**

Following the digital enhancements undertaken in 2023, clients can digitally onboard to WTS through its online onboarding platform. In addition, the Company successfully developed and launched an “Auction Bidding Platform” in September 2024 which was among the pioneering solutions introduced in the industry. The Company intends to promote and further develop digitization initiatives in order to improve client experience and convenience.

- **Consolidate and further solidify WTS’ NIMs**

Historically, the Company has maintained a very attractive Net Interest Margin in comparison to its peers (refer Section 2.4 of the Research Report (Annexure 4) for peer analysis). The prevalent low-interest rate environment which is expected to continue for a longer period will enable the Company to maintain its high Net Interest Margins, which in turn leads to a steady Net Interest Income.

3.11.1 ASSUMPTIONS ASSOCIATED WITH FUTURE STRATEGIES

- **Expected economic stability**

The Company’s growth and capital market strategies assume a continuation of economic stability, both domestically and globally. A stable macroeconomic environment is expected to support consistent demand for government securities, ensure investor confidence, and contribute to favorable market conditions that are essential for achieving expected financial results.

- **Interest rates remain steady with no sudden shocks in interest rates**

The Company assumes that interest rates will remain relatively steady, without sudden or extreme fluctuations. As a Primary Dealer, WTS’s income streams are highly sensitive to interest rate movements. Stability in interest rates is critical to maintaining strong Net Interest Margins and optimizing the performance of the trading book. Any unexpected volatility could disrupt portfolio valuations, increase funding costs, and impact overall profitability.

- **Maintaining client relationships moving forward**

WTS’s strategic outlook presumes the continued strength and expansion of its client relationships. The Company has historically maintained a loyal and growing client base, with no record of significant client turnover since inception. This strong client retention track record, coupled with consistent year-on-year growth in the number of clients, underpins the assumption that existing relationships will be sustained and further expanded in the future. While the Company continues to invest in digital infrastructure to enhance client engagement and service delivery, it is the strength of these long-standing relationships and the Company’s reputation in the market that form the foundation for future growth.

- **Timely and effective implementation of digital initiatives**

It is assumed that the Company will be able to implement its planned digital initiatives, including enhancements to the Auction Bidding Platform and other client interaction tools, in a timely manner and with the expected level of functional quality, enabling the intended improvements in operational efficiency and client experience to be realized.

3.11.2 RISKS ASSOCIATED WITH THE FUTURE STRATEGIES

- **Shocks in interest rates**

Interest rate volatility can arise due to changes in domestic monetary policy, global economic shifts, or unforeseen geopolitical developments. Such shocks could adversely affect the Company’s Net Interest Margins, reduce capital gains, and impact the valuation of its government securities portfolio. This, in turn, could lead to earnings volatility and potentially diminish shareholder returns. As such, WTS continuously monitors interest rate trends and employs proactive risk management measures to mitigate potential impacts.

- **Digital Implementation and adoption risk**

There is a risk that if the planned digital initiatives are not implemented in a timely manner, experience cost overruns, or do not perform as intended, their effectiveness in achieving the desired improvements in client engagement and operational efficiency may be constrained. Furthermore, any technical issues or slower client adaptation to the new platforms could limit the realization of the anticipated benefits from the Company's digital transformation efforts.

3.12 LITIGATION, DISPUTES, AND CONTINGENT LIABILITIES

The Company has not been involved, nor is it currently involved in any legal, arbitration or mediation proceedings, which may have had significant effects on the Company's financial position and profitability, apart from the tax assessment case disclosed under Section 3.14.3.

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

3.13 CONTINGENT LIABILITIES

As of 30th September 2025, apart from the tax assessments disclosed under Section 3.14.3, there were no other contingent liabilities that would affect the current and future profits of the Company.

3.14 TAXATION APPLICABLE TO THE COMPANY

3.14.1 CORPORATE TAXATION

The Corporate Income Tax rates under the Inland Revenue Act, No. 24 of 2017 and its subsequent amendments, Value Added Tax (VAT) rates in accordance with the provisions of the Value Added Tax Act, No. 14 of 2002 (as amended) and the Social Security Contribution Levy as per the Social Security Contribution Levy Act, No. 25 of 2022 on Financial Services as applicable to WTS as at 31st March 2025 are disclosed below:

Table 3.9: Taxes on financial services applicable to WTS as at 31st March 2025

Corporate Income Tax Rate	30.0%
Value Added Tax Rate on Financial Services	18.0%
Social Security Contribution Levy	2.5%

3.14.2 TAX CONCESSIONS OR TAX EXEMPTIONS

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

3.14.3 TAX ASSESSMENTS

WTS has filed Case Stated Applications against the determinations issued by the Tax Appeals Commission in relation to Value Added Tax (VAT) on Financial Services and Nation Building Tax (NBT). These applications involve amounts of LKR 24.9 Mn, LKR 50.0 Mn, LKR 138.99 Mn, and LKR 227.51 Mn under VAT relating to assessments for the years 2012/13, 2013/14, 2014/15 and 2016/17 respectively, and LKR 19.72 Mn, LKR 28.70 Mn, and LKR 33.96 Mn under NBT relating to assessments for the years 2014/15, 2015/16 and 2016/17 respectively. As per the audited financial statements of FY2025, the legal counsel confirms that the matters are being contested and the likelihood of an unfavorable outcome does not arise at this stage.

Further, the Company has appealed against VAT on Financial Services amounting to LKR 155.75 Mn and LKR 98.06 Mn respectively for the years of assessment 2015/16 and 2017/18. Appeal in respect of 2017/18 has been made to the Commissioner General of Inland Revenue, and the remainder of the appeal was made to the Tax Appeals Commission. The related appeals against the said assessments and determinations have been duly submitted. As disclosed in the audited financial statements of FY2025, based on the opinion of the Tax Consultants, the Board of Directors of WTS is of the view that no unfavorable outcome would arise on the above-mentioned tax matters as they are outside the scope of chargeability of taxes and are being contested.

3.15 ANALYSIS OF RECENT FINANCIAL STATEMENTS

Table 3.10: Summarized Income Statement of WTS for the year ended 31st March

Financial Statement Item (LKR)	FY2023	FY2024	FY2025
Interest Income	5,328,866,180	6,117,941,145	3,294,595,532
Interest Expense	(3,156,543,327)	(2,991,184,545)	(1,957,495,451)
Net Interest Income	2,172,322,853	3,126,756,600	1,337,100,081
Net Trading Gains and Fair Value Gains	1,155,356,537	7,044,237,112	1,260,584,528
Direct Expenses less Brokerage Income on Dex Trading	(12,774,894)	(22,818,373)	(25,025,613)
Income from Trading Activities	3,314,904,496	10,148,175,339	2,572,658,996
Other Income / (Expense)	5,584,192	9,509,579	6,622,140
Administrative, Marketing, General and Other Operating Expenses	(866,149,403)	(2,773,657,983)	(782,065,445)
Profit from Operating Activities	2,454,339,285	7,384,026,935	1,797,215,691
Finance Costs	(137,511,037)	(10,559,564)	(11,871,614)
Profit / (Loss) Before Tax	2,316,828,248	7,373,467,371	1,785,344,078
Income Tax Expense	(611,902,155)	(2,466,563,408)	(591,828,496)
Profit After Tax	1,704,926,093	4,906,903,963	1,193,515,582

Source: Audited Financial Statements of WTS

Table 3.11: Summarized Balance Sheet of WTS as at 31st March

Financial Statement Item (LKR)	FY2023	FY2024	FY2025
Total Assets	36,945,759,100	26,557,323,064	22,946,451,831
Financial Assets recognized through Profit/Loss held for Trading – measured at Fair Value	34,510,972,631	23,880,569,227	21,555,797,956
Securities purchased through Reverse Repurchase Agreements	2,031,816,221	2,471,956,866	1,194,882,662
Other Assets	402,970,248	204,796,971	195,771,212
Total Liabilities	32,476,059,752	19,931,004,519	17,127,124,419
Securities sold under Repurchase Agreements	29,901,533,122	14,790,309,547	15,648,175,642
Bank Overdrafts	1,362,887,378	1,451,500,585	596,388,811
Other Liabilities	1,211,639,252	3,689,194,387	882,559,966
Shareholders' Funds	4,469,699,348	6,626,318,545	5,819,327,412
Stated Capital	329,572,770	329,572,770	329,572,770
Special Risk Reserve	664,006,533	1,154,696,927	1,274,048,485
Retained Earnings & General Reserve	3,476,120,045	5,142,048,848	4,215,706,157
Gearing (Debt/Equity)	7.00x	2.45x	2.80x

Source: Audited Financial Statements of WTS

For a detailed analysis of the financials of WTS, please refer to Section 4.2 of the Research Report included in Annexure 4 of this Prospectus.

The following disclosures are made to explain the key year-over-year variances in the audited financial statements from FY2024 to FY2025:

- Interest income on Treasury Bills and Treasury Bonds decreased by LKR 2.7 Bn in FY2025, primarily due to the significant reduction in interest rates during the period, which resulted in reinvestments being made at lower rates. In addition, the financial assets portfolio declined by approximately LKR 2.3 Bn, further contributing to the reduction in Net Interest Income.
- Interest expense on repurchase agreements decreased by LKR 1.0 Bn in FY2025, as the sharp drop in interest rates led to the cost of repurchase agreements declining from around 9.5% at the end of FY2024 to approximately 8.0% by the end of FY2025.
- Net capital gains from trading decreased by LKR 5.3 Bn in FY2025. The gains recorded in FY2024 were exceptionally high across the Primary Dealer industry, including WealthTrust Securities Limited, as yields on government securities fell sharply from c. 25% to 15% overnight following the finalization of the Domestic Debt Restructuring (DDR) programme by the CBSL and the commencement of monetary policy easing. In contrast, the yield decline during FY2025 was much slower which was the primary reason for the lower trading gains made in FY2025.
- Administrative and general expenses decreased by LKR 1.3 Bn in FY2025, mainly due to the reduction in staff performance reward expenses, which are linked to the Company's profitability.
- Similarly, the provision for expenses decreased by LKR 1.2 Bn, primarily driven by the reduction in the staff performance reward provision by the end of FY2025.
- Securities purchased under resale agreements decreased by LKR 1.3 Bn in FY2025, as the Company strategically reduced its portfolio, given that the potential for further monetary policy easing and yield declines appeared limited toward the end of FY2025.
- Government Treasury Bills decreased by LKR 8.5 Bn in FY2025 as the company chose not to reinvest maturing Treasury Bills, considering the sharp decline in Bill yields from c. 15.0% at the end of FY2024 to c. 9.0% by the end of FY2025.

3.16 DETAILS OF BENEFITS PAID TO PROMOTERS

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

3.17 DETAILS OF COMMISSION PAID

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

3.18 INTEREST IN TRANSACTIONS RELATING TO THE PROPERTY OF THE COMPANY

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

3.19 MATERIAL CONTRACTS

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

3.20 PERIODIC BUSINESS LICENSE

Other than for the aforementioned license issued by the SEC to carry on business as a Stock Broker in Debt, and the license issued by the SEC to carry on business as a Stock Dealer in Debt, there are no periodic licenses issued to the Company in order to carry out its main business. The validity periods of the said licenses are set forth in the table below. Both these licenses expire on 31st May 2026 and should be renewed prior to the expiry thereof. These licenses will be renewed by the SEC upon the Company satisfying the requirements stipulated to operate as a Stock Broker and Stock Dealer in debt securities. If the license is not renewed, WTS will be unable to operate as a Stock Broker and Stock Dealer of corporate debt securities. However, as this represents a limited portion of the Company's current business activities, the risk associated with non-renewal is considered low.

Table 3.12: Business Licenses of WTS

License	Current Validity Period
SEC License to function as a Stock Broker (Debt)	01st June 2025 to 31st May 2026
SEC License to function as a Stock Dealer (Debt)	01st June 2025 to 31st May 2026

CORPORATE GOVERNANCE

4 CORPORATE GOVERNANCE

4.1 STATEMENT OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

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

4.2 DIRECTORS

4.2.1 BOARD OF DIRECTORS

The Board of Directors of WTS comprises six (06) Directors of whom two (02) are Independent Non-Executive Directors, three (03) are Non-Independent Non-Executive Directors and one (01) is a Non-Independent Executive Director.

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

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

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

Table 4.1: Board of Directors

Name	Designation
Mr. Wickrema Senaka Weerasooria	Chairman – Non-Independent Non-Executive Director
Mr. Romesh Gomez	Managing Director / Chief Executive Officer – Non-Independent Executive Director
Ms. Anarkali Moonesinghe	Non-Independent Non-Executive Director
Mr. Tarusha Weerasooria	Non-Independent Non-Executive Director
Mr. Timothy Speldewinde	Independent Non-Executive Director
Ms. Shanti Gnanapragasam	Independent Non-Executive Director

4.2.2 PROFILES OF THE BOARD OF DIRECTORS

Table 4.2: Director Profiles

Name and Designation	Business Experience
Mr. Wickrema Senaka Weerasooria	<p>Mr. W. S. Weerasooria was appointed to the Board on 11th January 2010 and subsequently appointed as Chairman on 4th July 2019. He possesses over 30 years of experience in information technology and management, having worked across diversified sectors, including engagements as a consultant on World Bank projects. His previous professional experience includes roles within the Professional Services Unit of the Computer Power Group (CPG), Australia (1991–1992), the Australian Quarantine and Inspection Service (AQIS) (1992–1995), and later as Owner/Director of Tarakan Consulting, Australia (1995–2001). He has a proven track record of guiding business entities towards achieving sustainable outcomes and profitability through strategic leadership and operational expertise.</p> <p>Mr. Weerasooria holds a Bachelor of Science and a Graduate Diploma in Commercial Law from the Australian National University (ANU), as well as a Master's degree in Information Technology from the University of Canberra, Australia. He also serves as a part-time faculty member at the Postgraduate Institute of Management, where he lectures in Information Technology.</p>

Name and Designation	Business Experience
Mr. Romesh Gomez	<p>Mr. R. Gomez was appointed to the Board on 9th July 2021. He is a seasoned investment banker with over 26 years of proven experience in the financial services sector, with expertise spanning treasury management, trading, portfolio management, corporate debt, and corporate finance. Prior to joining WTS, he served as Senior Manager at First Capital Treasuries Limited from 2005 to 2008, and subsequently as Head of Treasury at Asia Capital PLC from 2008 to 2011.</p> <p>He is an Associate Member of the Association of Business Executives (ABE), UK, and a Member of the ACI Financial Markets Association.</p>
Ms. Anarkali Moonesinghe	<p>Ms. A. Moonasinghe was appointed to the Board on 16th January 2020. She possesses comprehensive expertise in all aspects of corporate finance and business execution and brings extensive experience in cross-border transactions across the ASEAN region, spanning a range of industries, as well as in corporate finance transactions involving equity, equity-linked instruments, and debt financing solutions for corporate clients across Europe. Prior to joining WTS, she served as the Chief Executive Officer at CIMB Investment Bank (Private) Limited from 2011 to 2019.</p> <p>Ms. Moonasinghe holds a Bachelor of Arts (Honours) in Politics, Philosophy and Economics from Christ Church College, University of Oxford.</p>
Mr. Tarusha Weerasooria	<p>Mr. Tarusha Weerasooria was appointed to the Board on 29th August 2024. He began his career at Sony UK in 2019 as a Junior Logistics Analyst, gaining early exposure and valuable insights into industry operations, and subsequently served as Head of New Business Development at Alpha Industries from 2020 to 2023.</p> <p>He is a seasoned business development and management professional with broad experience across diverse industries and international markets. His expertise includes operations, management, financial strategy, and new business development, with a strong track record of driving sustainable growth and operational excellence, particularly in the energy and commercial interiors sectors.</p> <p>Mr. Weerasooria holds a Bachelor of Science in Management with Finance and a Master of Science in Financial Management, both from the University of Warwick, United Kingdom.</p>
Mr. Timothy Speldewinde	<p>Mr. T. Speldewinde was appointed to the Board on 5th April 2021. He commenced his career in 1987 as Finance Manager at Ceylon Brewery Ltd, and later served as General Manager at Aitken Spence Garments Ltd. He subsequently held the position of Managing Director/Chief Executive Officer of Stretchline (Pvt) Ltd from 1995 to 2006.</p> <p>With extensive experience in the apparel industry, Mr. Speldewinde went on to serve as the Global CEO of Stretchline Holdings Ltd (Hong Kong) from 2007 to 2025, the world's largest manufacturer of elastic for intimate apparel and performance sportswear. Under his visionary leadership, Stretchline evolved into a Sri Lankan success story in supply chain management, expanding its operations to multiple offshore facilities and strengthening its global footprint. During this period, he also concurrently served as the Managing Director for PT Stretchline Indonesia, Stretchline Zhongshan Ltd China, Stretchline Mexico and Stretchline Honduras Ltd from 2007 to 2025.</p> <p>He is a Fellow Member of the Chartered Institute of Management Accountants (FCMA – UK) and a Fellow Member of the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka).</p>

CORPORATE GOVERNANCE

Name and Designation	Business Experience
Ms. Shanti Gnanapragasam	<p>Ms. S. Gnanapragasam was appointed to the Board on 31st January 2024. She brings with her over 40 years of extensive experience in the banking industry, with specialist expertise in treasury and asset & liability management, credit, risk management, and banking operations. Majority of her career has been with leading banking institutions such as Hatton National Bank PLC, American Express Bank Limited, People's Bank PLC and NDB Bank PLC. Prior to joining WTS, she served at NDB Bank PLC from 2015 to 2022, concluding her tenure as Chief Risk Officer / Vice President – Risk Management.</p> <p>She holds a First-Class Bachelor of Science degree in Zoology from the University of Madras, South India, and has obtained the ACI Foreign Exchange Dealer Certification from The Financial Markets Association, Paris. She is also a Chartered Global Management Accountant and a Fellow of the Chartered Institute of Management Accountants (CIMA), UK.</p>

4.2.3 OTHER DIRECTORSHIPS HELD BY THE DIRECTORS

Table 4.3: Other Directorships held by the Directors

Name	Other Directorships
Mr. Wickrema Senaka Weerasooria	<ul style="list-style-type: none"> Ceylon Agro Industries (Pvt) Ltd - Director (Independent, Non-executive) Finco Holdings (Pvt) Ltd - Director (Non-Executive, Non-Independent) Finco Technologies (Pvt) Ltd - Director (Executive, Non-Independent) Genesiis Software (Pvt) Ltd - Director / CEO (Executive, Non-Independent) Ceylon Grain Elevators PLC - Chairman (Non-Executive, Independent) Three Acre Farms PLC - Chairman (Non-Executive, Independent) Nikan (Pvt) Ltd - Director (Non-executive, Non-Independent)
Ms. Anarkali Moonesinghe	<ul style="list-style-type: none"> Hsenid Business Solutions PLC - Director (Non-Executive, Independent)

Name	Other Directorships
Mr. Tarusha Weerasooria	<ul style="list-style-type: none"> • Associated Resort Developers (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Alpha Tours (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Finco (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Finco Holdings (Pvt) Ltd -Director (Executive, Non-Independent) • Finco Trading (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Jungle Beach Resort (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Resources Development Consultants (Pvt) Ltd -Director (Executive, Non-Independent) • Kelani Tyres PLC – Alternate Director (Non-Executive, Non-Independent) • Uga Escapes (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Uga Escapes Colombo (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Uga Escapes Hatton (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Uga Escapes Management (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Uga Escapes Negombo (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Uga Escapes Sigiriya (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Uga Escapes Yala (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Ulagalla Walawwa Resort (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Yala Holiday Resorts (Pvt) Ltd -Director (Non-Executive, Non-Independent) • Widac Commercial Interiors (Pvt) Ltd -Managing Director (Executive, Non-Independent)
Mr. Timothy Speldewinde	<ul style="list-style-type: none"> • Ceylon Grain Elevators PLC - Director (Non-Executive, Independent) • Dipped Products PLC – Director (Non-Executive, Independent) • Haycarb PLC – Director (Non-Executive, Independent) • Hayleys Fabric PLC – Director (Non-Executive, Independent) • Hayleys PLC – Director (Non-Executive, Independent) • Three Acre Farm PLC – Director (Non-Executive, Independent) • The Kingsbury PLC – Director (Non-Executive, Independent) • Horana Plantations PLC – Director (Non-Executive, Independent)
Ms. Shanti Gnanapragasam	<ul style="list-style-type: none"> • Cargills Bank PLC -Director (Non-Executive, Independent) • Vision Fund Lanka (Pvt) Ltd -Director (Non-Executive, Independent)

4.3 AUDIT COMMITTEE

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

Members of the WTS Audit Committee are as follows:

- Mr. Timothy Speldewinde – Chairman of the Committee (Independent Non-Executive Director)
- Ms. Shanti Gnanapragasam – Member of the Committee (Independent Non-Executive Director)
- Ms. Anarkali Moonesinghe – Member of the Committee (Non-Independent Non-Executive Director)

4.4 REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendations to the Board of WTS on matters relating to the Company's remuneration policy and works in close consultation with the Board in this regard. The Committee recommends remuneration packages for key and senior management personnel and establishes guidelines and parameters for the compensation structure applicable to management staff. The Company has in place a remuneration policy that is designed to attract, motivate, and retain qualified and experienced personnel, while ensuring performance is rewarded in a fair and equitable manner. This policy has been formulated in compliance with the corporate governance requirements set out in Section 09 of the CSE Listing Rules.

Members of the WTS Remuneration Committee are as follows:

- Ms. Shanti Gnanapragasam – Chairperson of the Committee (Independent Non-Executive Director)
- Mr. Wickrema Senaka Weerasooria – Member of the Committee (Non-Independent Non-Executive Director)
- Mr. Timothy Speldewinde – Member of the Committee (Independent Non-Executive Director)

Please note that the aggregate remuneration paid to the Executive and Non-Executive Directors for FY2025 is LKR 101,513,031. Further, the estimated aggregate remuneration to be paid to the Executive and Non-Executive Directors for the current financial year FY2026 is LKR 62,087,812 and the aggregate remuneration paid to the Executive and Non-Executive Directors for FY2026 as of the date of the prospectus is LKR 22,470,000. These figures represent the aggregate emoluments including bonus and profit-sharing payments to the Board of Directors.

4.5 RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

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

Members of the WTS Related Party Transaction Review Committee are as follows:

- Mr. Timothy Speldewinde – Chairman of the Committee (Independent Non-Executive Director)
- Ms. Shanti Gnanapragasam – Member of the Committee (Independent Non-Executive Director)
- Ms. Anarkali Moonesinghe – Member of the Committee (Non-Independent Non-Executive Director)

4.6 NOMINATIONS AND GOVERNANCE COMMITTEE

The objective of the Nomination and Governance Committee is primarily to (i) nominate directors to the Board to fill vacancies on the Board when an existing director ceases to hold office due to resignation, retirement or otherwise or when a casual vacancy on the Board arises due to any other reason, and (ii) assist and make recommendations to the Board with regard to the adoption and implementation of corporate governance framework that apply to the business and operations of the Company. The Nominations and Governance Committee will also nominate board members for various positions within the subcommittees of the Board as and when required.

Members of the WTS Nomination and Governance Committee are as follows:

- Ms. Shanti Gnanapragasam – Chairperson of the Committee (Independent Non-Executive Director)
- Mr. Wickrema Senaka Weerasooria – Member of the Committee (Non-Independent Non-Executive Director)
- Mr. Timothy Speldewinde – Member of the Committee (Independent Non-Executive Director)

4.7 DIRECTORS' SHAREHOLDING IN THE COMPANY

Table 4.4: Directors' Shareholding in the Company

Shareholder	No. of Shares*	Holding % (Pre-IPO)
Mr. Wickrema Senaka Weerasooria	84,358,435	7.31%
Ms. Anarkali Moonesinghe	68,495,000	5.94%
Total	152,853,435	13.25%

* Post the 1:35 sub-division of shares of the Company that took place on 29th September 2025

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

4.8 DIRECTORS' INVOLVEMENT IN LITIGATION AND OFFENCES

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

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

4.9 DIRECTORS' INTERESTS

4.9.1 DIRECTORS' INTERESTS IN ASSETS

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

4.9.2 DIRECTORS' INTERESTS IN CONTRACTS

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

5 HUMAN RESOURCE

5.1 EMPLOYEES

As of 30th September 2025, there are 31 employees at WTS. There are no labor unions within the Company.

Executive Employees – 25

Non-Executive Employees – 6

5.2 CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Table 5.1: CEO / Managing Director's Profile

Name	Business Experience
Romesh Gomez	<p>Mr. Romesh Gomez is an accomplished professional with over 26 years of experience in the financial services sector. He currently serves as the Managing Director/Chief Executive Officer of WealthTrust Securities Ltd (WTS), having previously held the position of Chief Executive Officer. As a seasoned investment banker, his expertise spans treasury management, trading, portfolio management, corporate debt, and corporate finance.</p> <p>A founding member of WTS, Mr. Gomez has played a pivotal role in the Company's establishment and growth, contributing significantly to its emergence as a leading player in Sri Lanka's debt market. Under his strategic leadership, WTS has achieved numerous milestones and continues to strengthen its market position.</p> <p>Mr. Gomez began his career at MB Financial Services Limited, which became First Capital Money Brokers Limited as an inter-bank broker, where he quickly demonstrated strong leadership and industry insight. He subsequently advanced to the role of Senior Manager – Fixed Income Securities at First Capital Treasuries Limited, and later served as Head of Treasury at Asia Capital PLC.</p> <p>He is a past President of the Association of Primary Dealers, Sri Lanka, and is widely recognized for his contributions to the financial industry. Mr. Gomez is a Member of ACI (Financial Markets Association) and an Associate Member of the Association of Business Executives (ABE), UK, reflecting his ongoing commitment to professional development and excellence.</p>

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

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

5.3 SENIOR MANAGEMENT

Table 5.2: Senior Management Profiles

Name	Business Experience
Deputy Chief Executive Officer Priyanthi Abeyesekere	<p>Ms. Priyanthi Abeyesekere is a highly accomplished professional with close to three decades of experience in the financial services industry, having made significant contributions to the growth and success of several leading institutions. Her core expertise spans financial markets, investment advisory, as well as sales and marketing.</p> <p>She began her career at MB Financial Services Limited and later joined First Capital Treasuries Limited, where she gained comprehensive exposure across multiple functions. Her consistent performance and leadership potential saw her rise to the role of Head of Group Sales & Marketing. She is also a professionally qualified Registered Investment Adviser (RIA), reflecting her commitment to regulatory and industry standards.</p> <p>Ms. Abeyesekere holds a Bachelor of Science degree in Business Administration and a Graduate Diploma in Management, providing her with a strong academic foundation in business and finance.</p> <p>In 2011, she joined WTS as a founding member, playing an integral role in establishing the Company. She initially held the position of Assistant General Manager, and her leadership capabilities led to subsequent promotions — first to General Manager, and later to her current role as Deputy Chief Executive Officer.</p> <p>With over a decade of hands-on experience in the dealing room, Ms. Abeyesekere brings deep expertise in active fixed income trading and portfolio management. Her ability to deliver insightful market analysis and navigate complex financial environments has enabled her to make strategic, well-informed investment decisions, further driving the Company's success.</p>
General Manager - Finance & Planning / Business Processing Ajith Athukoralage	<p>Mr. Ajith Athukoralage is a highly skilled finance professional with nearly 27 years of experience in accounting and financial management, particularly within the Primary Dealer sector. He holds a Bachelor of Science (Special) Degree in Accountancy from the University of Sri Jayewardenepura, Sri Lanka, and is a member of the Association of Accounting Technicians of Sri Lanka.</p> <p>Over the course of his career, Mr. Athukoralage has developed a deep expertise in financial operations, regulatory compliance, and strategic financial planning. His broad industry exposure and technical knowledge have enabled him to play a pivotal role in driving financial growth and ensuring sound governance across the organizations he has served.</p> <p>Prior to joining WealthTrust Securities, he held the position of Group Assistant Manager – Finance at First Capital Limited, where he was responsible for overseeing financial operations and contributing to strategic decision-making. In this role, he demonstrated strong leadership and a meticulous approach to managing complex financial processes, consistently delivering accurate, timely, and insightful reporting.</p> <p>In his current capacity as General Manager – Finance & Planning / Business Processing, Mr. Athukoralage leverages his extensive experience to design and implement robust financial strategies, optimize resource allocation, and enhance profitability. He is recognized as a results-driven finance leader with a strong track record of success and a comprehensive understanding of the principles of accountancy and business finance.</p>

Name	Business Experience
Assistant General Manager – Head of Trading & Research Development W.H. Gayan J. Karunaratne	<p>Mr. Gayan Karunaratne holds a Special Degree in Finance with First-Class Honours and a Master's Degree in Applied Finance from the University of Sri Jayewardenepura, Sri Lanka. With over 18 years of experience in the financial markets, he joined WTS in 2011 and currently serves as Assistant General Manager – Head of Trading & Research Development.</p> <p>Mr. Karunaratne has in-depth expertise in macroeconomic and microeconomic research, interest rate forecasting, active fixed income trading, corporate debt structuring, and cash flow management within a dealing room environment. His comprehensive approach to market analysis and trading has contributed significantly to the Company's performance and strategic development.</p> <p>Prior to joining WTS, he held roles at Asia Capital PLC as Manager – Treasury Division, and at First Capital Treasuries Ltd as an Executive, gaining valuable hands-on experience in capital markets and treasury operations.</p> <p>His technical proficiency and commitment to professional development have been formally recognized; he was awarded the "Badge of Excellence – 75% and Above" for successfully completing the Treasury and Foreign Exchange Operations Course conducted by the Central Bank of Sri Lanka.</p>
Senior Manager-Compliance & Risk Aruni Fernando	<p>Ms. Aruni Fernando is a seasoned professional in the financial services industry, bringing over 18 years of experience across compliance, risk management, investment operations, and financial reporting. She joined WTS in September 2025 as Senior Manager – Compliance & Risk, where she leads key governance and operational oversight functions.</p> <p>Ms. Fernando holds a Master of Business Administration from the University of Colombo, where she was awarded two Gold Medals for excellence in Operations Management and Management Accounting. She also holds a Bachelor of Business Administration (Special) in Finance from the same university and is an Associate Member of the Chartered Institute of Management Accountants (ACMA, CGMA – UK). In addition, she is a certified Investment Advisor, accredited by the Colombo Stock Exchange.</p> <p>Before joining WTS, Ms. Fernando served as Manager – Middle Office Investments at Union Assurance PLC, where she was instrumental in establishing the middle-office function. Her responsibilities included compliance reporting, valuation of financial assets, stress testing, corporate governance, and enterprise risk management.</p> <p>Her career also includes senior roles at Asset Trust Management (Pvt) Ltd, Wealth Lanka Management (Pvt) Ltd, and WNS Global Services, where she gained extensive experience in fund management, investment back-office operations, and financial accounting. She began her professional career at HSBC as a Statistical Research Analyst, laying the foundation for her strong analytical and operational capabilities.</p>

5.4 MANAGEMENT AGREEMENTS

As at the date of this Prospectus there are no Management Agreements in place for the Company.

DECLARATIONS

6 DECLARATIONS

6.1 DECLARATION BY THE DIRECTORS

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

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

Name of the Director	Designation	Signature
Mr. Wickrema Senaka Weerasooria	Chairman - Non-Independent Non-Executive Director	Sgd.
Mr. Romesh Gomez	Managing Director / Chief Executive Officer - Non-Independent Executive Director	Sgd.
Ms. Anarkali Moonesinghe	Non-Independent Non-Executive Director	Sgd.
Mr. Tarusha Weerasooria	Non-Independent Non-Executive Director	Sgd.
Mr. Timothy Speldewinde	Independent Non-Executive Director	Sgd.
Ms. Shanti Gnanapragasam	Independent Non-Executive Director	Sgd.

6.2 DECLARATION BY THE COMPANY

We, WealthTrust Securities Limited, having our Registered office at No. 102/1, Dr. N.M. Perera Mawatha (Cotta Road), Colombo 08, Sri Lanka hereby declare that to the best of our knowledge and belief this Prospectus constitutes full and fair disclosure of all material facts about the Offer and the Company. Moreover, we confirm that WealthTrust Securities Limited has no conflict of interest with the parties to the issue who are expected/considered to be independent.

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

Signed by Mr. W. Senaka Weerasooria and Mr. R. Romesh Gomez duly authorized signatories of the Company.

Sgd.
Director

Sgd.
Director

▶ DECLARATIONS

6.3 DECLARATION BY THE MANAGERS AND FINANCIAL ADVISORS TO THE ISSUE

We, Asia Securities Advisors (Private) Limited of 4th Floor, Lee Hedges Tower, No. 349, Galle Road, Colombo 03 hereby declare that to the best of our knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offer and the Company.

The Directors seal of Asia Securities Advisors (Private) Limited is affixed hereto at Colombo on this 20th day of November 2025 in the presence of two Directors.

Sgd.
Director

Sgd.
Director

▶ ANNEXURE 1 – ACCOUNTANT'S REPORT AND FIVE-YEAR SUMMARY



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka
Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

PNS/RJ/JJ

The Board of Directors
WealthTrust Securities Limited
No. 102/1, Dr. N M Perera Mawatha
Colombo 08

19 September 2025

Accountants' Report for Inclusion in the Prospectus of WealthTrust Securities Limited

Dear Sirs/Madams,

Introduction

This report has been prepared for the inclusion in the Prospectus issued in connection with the issue of up to 71,548,244 New Ordinary Voting Shares of WealthTrust Securities Limited (Initial Issue) at LKR 7.00/- per share.

We have cross checked the following information to the audited financial statements of WealthTrust Securities Limited (the "Company") for the years ended 31 March 2021 to 31 March 2025 and report as follows.

1. Incorporation

WealthTrust Securities Limited is a limited liability Company incorporated under Companies Act no 07 of 2007 and domiciled in Sri Lanka.

2. Appointment of Auditors

We were appointed as auditors of WealthTrust Securities Limited for the financial year ended 31 March 2024. Previous financial statements of the Company were audited by other firm of Chartered Accountants.

3. Financial Statements

3.1 Five-Year Summary of Audited Financial Statements

The summary of Statements of Financial Position, Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Company for the financial years ended 31 March 2021 to 31 March 2025, based on the audited Financial Statements.

(Contd.....2/-)

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva BSc (Hons) - MIS Msc - IT, V Shakhiviel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited

▶ ANNEXURE 1 – ACCOUNTANT’S REPORT AND FIVE-YEAR SUMMARY



WealthTrust Securities Limited
Page 2

3.2 Audited Financial Statements for the Year Ended 31 March 2025

Independent auditors' report on the Financial Statements for the year ended 31 March 2025, which was audited by us together with such financial statements comprising Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows along with the accounting policies and notes thereon is given on the Prospectus.

3.3 Audit Opinions for the years ended 31 March 2021, 2022, 2023, 2024 and 2025

- a) With regard to Financial Statements of the Company for the year ended 31 March 2021, other firm of Chartered Accountants has issued an unmodified audit opinion by way of their auditor's report dated 05 August 2021.
- b) With regard to Financial Statements of the Company for the year ended 31 March 2022, other firm of Chartered Accountants has issued an unmodified audit opinion by way of their auditor's report dated 30 August 2022.
- c) With regard to Financial Statements of the Company for the year ended 31 March 2023, other firm of Chartered Accountants has issued an unmodified audit opinion by way of their auditor's report dated 09 June 2023.
- d) With regard to Financial Statements of the Company for the year ended 31 March 2024, we have issued an unmodified audit opinion by way of our auditor's report dated 15 July 2024.
- e) With regard to Financial Statements of the Company for the year ended 31 March 2025, we have issued an unmodified audit opinion by way of our auditor's report dated 26 June 2025.

3.4 Accounting Policies used for the years ended 31 March 2021, 2022, 2023, 2024 and 2025

The Accounting policies of the Company which comply with Sri Lanka Accounting Standards are stated in the audited financial statements of the Company for the years ended 31 March 2021 to 31 March 2025.

3.5 Dividends

The Company has paid dividend during the years ended 31 March 2021 to 31 March 2025 as follows,

Financial Year	Dividend Per Share (LKR)
2020/21	6.00
2021/22	-
2022/23	22.75
2023/24	121.40
2024/25	-

3.6 Events after Reporting Date

There were no significant events occurred after the last audit report date.

4. Restriction on Use

The report is made solely for the purpose of the Board of Directors of WealthTrust Securities Limited to include in the Prospectus issued in connection with issue of up to 71,548,244 New Ordinary Voting Shares of WealthTrust Securities Limited (Initial Issue) at LKR 7.00/- per share. To the fullest permitted by law, we do not accept or assume responsibility to anyone other than the addressee, for our audit work, for this report we have formed. This report should not be used, circulated, quoted, or otherwise referred to for any other purpose.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Ernst & Young", is written below the "Yours faithfully" text.

▶ ANNEXURE 1 – ACCOUNTANT’S REPORT AND FIVE-YEAR SUMMARY

WEALTHTRUST SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH

	2025	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS					
Balance with Central Bank of Sri Lanka	125,758	898,381	56,584	485,924	551,446
Cash at Banks & in Hand	5,093,367	738,548	3,072,141	2,159,057	3,801,786
Derivative Financial Instruments	5,917,613	17,855,016	298,202,864	891,950	-
Securities purchased under Resale Agreements	1,194,882,662	2,471,956,866	2,031,816,221	952,556,329	2,277,899,305
Financial assets recognised through profit or loss/ held for trading - measured at fair value	21,555,797,956	23,880,569,227	34,510,972,631	10,569,662,134	6,472,936,368
Financial assets - measured at amortised cost	-	-	-	73,674,454	46,144,393
Property, Plant and Equipment	19,067,579	14,096,564	14,641,492	14,841,649	17,150,923
Intangible Assets	3,489,561	5,062,946	8,310,969	3,036,046	1,935,099
Right-of-use assets	22,145,691	3,600,104	8,304,860	13,009,617	17,714,373
Income Tax	-	-	-	6,052,412	-
Deferred Tax Assets	9,814,291	8,767,346	8,611,612	1,748,011	1,545,417
Other Assets	130,117,353	153,778,066	61,769,726	59,867,087	340,855,381
Total Assets	22,946,451,831	26,557,323,064	36,945,759,100	11,697,984,670	9,180,534,491
LIABILITIES					
Bank Overdraft	596,388,811	1,451,500,585	1,362,887,378	499,297,483	-
Derivative Financial Instruments	-	14,348,055	-	7,019,480	-
Securities sold under Repurchase Agreements	15,648,175,642	14,790,309,547	29,901,533,122	8,404,863,350	5,316,976,153
Income Tax	429,889,710	1,706,642,139	551,473,551	-	743,806,395
Post Employment Benefit Obligations	29,529,700	26,633,858	24,044,892	3,457,396	6,337,252
Lease Liabilities	23,526,271	4,556,790	10,178,891	14,985,660	19,292,129
Other Liabilities	399,614,285	1,937,013,545	625,941,918	3,588,046	390,687,449
Total Liabilities	17,127,124,419	19,931,004,519	32,476,059,752	8,933,211,415	6,477,099,378
EQUITY					
Stated Capital	329,572,770	329,572,770	329,572,770	329,572,770	329,572,770
Special Risk Reserve	1,274,048,485	1,154,696,927	664,006,533	493,513,924	493,513,924
General Reserve	-	-	453,728,656	411,040,343	108,812,990
Retained Earnings	4,215,706,157	5,142,048,848	3,022,391,389	1,530,646,218	1,771,535,429
Shareholders' Funds	5,819,327,412	6,626,318,545	4,469,699,348	2,764,773,255	2,703,435,113
Total Liabilities and Equity	22,946,451,831	26,557,323,064	36,945,759,100	11,697,984,670	9,180,534,491



Mr. D A Athukoralage
General Manager
Finance & Planning / Business Processing

The above summarised financial information and its extraction from audited financial statements, is the responsibility of the Board of Directors.



Mr. W S Weerasooria
Chairman



Mr. R R Gomez
Managing Director/ CEO



WEALTHTRUST SECURITIES LIMITED
**STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH,**

	2025	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.
Interest Income	3,294,595,532	6,117,941,145	5,328,866,180	638,337,370	988,521,486
Interest Expenses	(1,957,495,451)	(2,991,184,545)	(3,156,543,327)	(326,096,514)	(578,882,775)
Net Interest Income	1,337,100,081	3,126,756,600	2,172,322,853	312,240,856	409,638,711
Net gains/(losses) from financial assets recognised through profit or loss/ held for trading - measured at fair value	1,260,584,528	7,044,237,112	1,155,356,537	(253,156,767)	877,390,729
Brokerage Income on Dex trading	-	-	10,477	643,369	83,513
Direct Expenses	(25,025,613)	(22,818,373)	(12,785,371)	(4,361,752)	(12,529,123)
Income From Trading Activities	2,572,658,996	10,148,175,339	3,314,904,496	55,365,706	1,274,583,830
Other Income	6,622,140	9,509,579	5,584,192	5,028,951	46,683
Marketing Expenses	(13,600,247)	(8,965,254)	(1,648,550)	(1,243,179)	(17,969,596)
Administrative and General Expenses	(578,913,378)	(1,837,492,056)	(864,500,853)	(93,402,491)	(474,120,664)
Other Operating Expenses	(189,551,820)	(927,200,673)			
Profit / (Loss) from Operating Activities	1,797,215,691	7,384,026,935	2,454,339,285	(34,251,014)	782,540,254
Finance Expenses	(11,871,613)	(10,559,564)	(137,511,037)	(13,460,355)	(7,641,748)
Profit / (Loss) Before Taxation	1,785,344,078	7,373,467,371	2,316,828,248	(47,711,369)	774,898,506
Income Tax (Expense)/Reversal	(591,828,496)	(2,466,563,408)	(611,902,155)	4,565,820	(186,966,650)
Net Profit / (Loss) for the Year	1,193,515,582	4,906,903,963	1,704,926,093	(43,145,549)	587,931,856
Other Comprehensive Income / (Expense) for the Year	-	-	-	-	-
Total Comprehensive Income / (Expense) for the Year	1,193,515,582	4,906,903,963	1,704,926,093	(43,145,549)	587,931,856



▶ ANNEXURE 1 – ACCOUNTANT’S REPORT AND FIVE-YEAR SUMMARY

WEALTHTRUST SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY

	<u>Stated</u> <u>Capital</u> <u>Rs.</u>	<u>Retained</u> <u>Earnings</u> <u>Rs.</u>	<u>Special Risk</u> <u>Reserve</u> <u>Rs.</u>	<u>General</u> <u>Reserve</u> <u>Rs.</u>	<u>Total</u> <u>Equity</u> <u>Rs.</u>
Balance as at 31.03.2019	329,572,770	1,174,029,488	402,005,255	710,962,808	2,616,570,321
Interim Dividend for the year 2018/2019	-	(65,914,554)	-	-	(65,914,554)
Final Dividend for the year 2018/2019	-	(32,957,277)	-	-	(32,957,277)
Net Profit for the year	-	327,154,826	-	-	327,154,826
Transferred to Special Risk Reserve during the year	-	(32,715,483)	32,715,483	-	-
Transferred to General Reserve during the year	-	(11,527,284)	-	11,527,284	-
Balance as at 31.03.2020	329,572,770	1,358,069,716	434,720,738	722,490,092	2,844,853,316
Balance as at 01.04.2020	329,572,770	1,358,069,716	434,720,738	722,490,092	2,844,853,316
Impact on adoption of IFRIC 23				(630,478,229)	(630,478,229)
Adjusted Balance as at 01.04.2020	329,572,770	1,358,069,716	434,720,738	92,011,863	2,214,375,087
Interim Dividend for the year 2019/2020	-	(65,914,554)	-	-	(65,914,554)
Final Dividend for the year 2019/2020	-	(32,957,277)	-	-	(32,957,277)
Net Profit for the year	-	587,931,856	-	-	587,931,856
Transferred to Special Risk Reserve during the year	-	(58,793,186)	58,793,186	-	-
Transferred to General Reserve during the year	-	(16,801,127)	-	16,801,127	-
Balance as at 31.03.2021	329,572,770	1,771,535,428	493,513,924	108,812,990	2,703,435,112
Interim Dividend for the year 2020/2021	-	(98,871,831)	-	-	(98,871,831)
Final Dividend for the year 2020/2021	-	(98,871,831)	-	-	(98,871,831)
Net Loss for the year	-	(43,145,549)	-	-	(43,145,549)
Transferred to Special Risk Reserve during the year	-	-	-	-	-
Reversal of Excess Income Tax Provision recognized as per IFRIC 23	-	302,227,353	-	-	302,227,353
Transferred to General Reserve during the year	-	(302,227,353)	-	302,227,353	-
Balance as at 31.03.2022	329,572,770	1,530,646,218	493,513,924	411,040,343	2,764,773,255
Net Profit for the year	-	1,704,926,093	-	-	1,704,926,093
Transferred to Special Risk Reserve during the year	-	(170,492,609)	170,492,609	-	-
Reversal of Excess Income Tax Provision recognize as per IFRIC 23	-	-	-	-	-
Transferred to General Reserve during the year	-	(42,688,313)	-	42,688,313	-
Balance as at 31.03.2023	329,572,770	3,022,391,389	664,006,533	453,728,656	4,469,699,348
First & Final Dividend for the year 2022/2023	-	(749,778,052)	-	-	(749,778,052)
Interim Dividend for the year 2023/2024	-	(2,000,506,714)	-	-	(2,000,506,714)
Net profit for the year	-	4,906,903,963	-	-	4,906,903,963
Transferred to Special Risk Reserve during the year	-	(490,690,394)	490,690,394	-	-
Transferred to General Reserve during the year	-	(28,966,899)	-	28,966,899	-
Transferred from General Reserve during the year	-	482,695,555	-	(482,695,555)	-
Balance as at 31.03.2024	329,572,770	5,142,048,848	1,154,696,927	-	6,626,318,545
Final Dividend for the year 2023/2024	-	(2,000,506,714)	-	-	(2,000,506,714)
Net profit for the year	-	1,193,515,582	-	-	1,193,515,582
Transferred to Special Risk Reserve during the year	-	(119,351,558)	119,351,558	-	-
Balance as at 31.03.2025	329,572,770	4,215,706,157	1,274,048,485	-	5,819,327,412



WEALTHTRUST SECURITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH,

	2025	2024	2023	2022	2021
	Rs.	Rs.	Rs.	Rs.	Rs.
<u>Cash Flows from Operating Activities</u>					
Net Profit / (Loss) Before Taxation	1,785,344,078	7,373,467,371	2,316,828,248	(47,711,369)	774,898,506
<u>Adjustments for:</u>					
Depreciation of Property, Plant and Equipment	18,827,581	17,591,080	12,854,237	11,727,540	9,184,638
Depreciation of Right-of-use assets	-	-	4,704,756	4,704,756	4,615,428
Lease Interest on Right-of-use assets	1,889,279	682,249	1,179,731	1,604,043	1,957,328
Amortization of Intangible Assets	-	-	2,212,025	1,194,632	351,588
Disposal (gain)/loss on Property, Plant and Equipment	-	7,710	(89,074)	(2,139)	-
Net fair value (gains)/losses from financial assets recognised through profit or loss/ held for trading - measured at fair value	272,270,441	(178,445,827)	(543,527,715)	68,798,114	83,403,527
Provision for Post Employment Benefits	2,895,842	3,713,966	21,742,496	(1,779,856)	400,758
Operating Profit before working capital changes	2,081,227,219	7,217,016,549	1,815,904,704	38,535,722	874,811,773
<u>Changes In Working Capital</u>					
(Increase)/ Decrease in Financial assets recognised through profit or loss/ held for trading - measured at fair value	2,050,090,178	11,103,545,134	(23,702,113,176)	(4,159,396,350)	5,697,240,521
(Increase)/ Decrease in Financial assets - measured at amortised cost			73,674,454	(27,530,061)	(46,144,393)
(Increase)/Decrease in Securities purchased under Resale Agreements	1,277,074,204	(440,140,644)	(1,079,259,892)	1,325,342,976	(828,736,781)
(Increase)/Decrease in Other Assets	23,660,713	(92,008,340)	(1,902,639)	280,988,294	(301,843,520)
Increase/(Decrease) in Other Liabilities	(1,537,399,260)	1,311,071,627	622,353,872	(387,289,916)	188,684,736
(Increase)/Decrease in Securities sold under Repurchase Agreements	857,866,095	(15,111,223,575)	21,496,669,771	3,087,887,197	(5,327,534,814)
	4,752,519,150	3,988,260,749	(774,672,906)	158,537,862	256,477,521
Lease Interest Paid on Right-of-use assets	(1,889,279)	(682,249)	(1,179,731)	(1,604,043)	(1,957,328)
Income Tax Paid	(1,869,627,870)	(1,311,550,554)	(61,239,793)	(443,268,228)	(150,128,420)
Gratuity Paid	-	(1,125,000)	(1,155,000)	(1,100,000)	-
Net Cash Inflow/(Outflow) from Operating Activities	2,881,002,002	2,674,902,946	(838,247,430)	(287,434,409)	104,391,773
<u>Cash Flows from Investing Activities</u>					
Acquisition of Property, Plant and Equipment	(17,092,478)	(9,106,084)	(20,181,953)	(11,721,622)	(5,678,054)
Proceeds from disposal of Property, Plant & Equipment	-	5,000	130,000	9,916	-
Net Cash Inflow / (Outflow) from Investing Activities	(17,092,478)	(9,101,084)	(20,051,953)	(11,711,706)	(5,678,054)
<u>Cash Flows from Financing Activities</u>					
Lease Principal Paid on Right-of-use assets	(4,708,840)	(5,622,101)	(4,806,769)	(4,115,957)	(3,037,672)
Dividends Paid	(2,000,506,714)	(2,750,284,766)	-	(197,743,662)	(98,871,831)
Net Cash Inflow / (Outflow) from Financing Activities	(2,005,215,554)	(2,755,906,867)	(4,806,769)	(201,859,619)	(101,909,503)
Net Increase /(Decrease) in Cash and Cash Equivalents	858,693,970	(90,105,003)	(863,106,151)	(501,005,734)	(3,195,783)
Cash and Cash equivalents as at the beginning of the year	(1,449,863,656)	(1,359,758,653)	(496,652,502)	4,353,232	7,549,015
Cash and cash equivalents at the end of the year	(591,169,686)	(1,449,863,656)	(1,359,758,653)	(496,652,502)	4,353,232
<u>Analysis of Cash and Cash equivalents at the end of the year</u>					
Cash at Banks (Favourable Balances)	5,189,125	1,606,929	3,098,725	2,614,981	4,323,232
Cash at Banks (Overdrawn Balances)	(596,388,811)	(1,451,500,585)	(1,362,887,378)	(499,297,483)	-
Cash in Hand (Petty Cash Float)	30,000	30,000	30,000	30,000	30,000
	(591,169,686)	(1,449,863,656)	(1,359,758,653)	(496,652,502)	4,353,232



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WEALTHTRUST SECURITIES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2025



Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel: +94 11 246 3500
Fax: +94 11 768 7869
Email: eysl@lk.ey.com
ey.com

PNS/RJ/DD/AD

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WEALTHTRUST SECURITIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of WealthTrust Securities Limited, which comprise the statement of financial position as at 31 March 2025, the statement of profit or loss and 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 policy information.

In our opinion, the accompanying the Financial Statements give a true and fair view of the financial position of the Company as at 31 March 2025 and of its financial performance and its 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 Company 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.

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 the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

(Contd...2/)

▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

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'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 Company'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 Company 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.

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.

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.


26 June 2025
Colombo

WealthTrust Securities Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March

	Note	2025 Rs.	2024 Rs.
Interest Income	3	3,294,595,532	6,117,941,145
Interest Expense	4	(1,957,495,451)	(2,991,184,545)
Net Interest Income		1,337,100,081	3,126,756,600
Net gains / (losses) from financial assets recognised through profit or loss / held for trading - measured at fair value	5	1,260,584,528	7,044,237,112
Brokerage Income on Dex trading		-	-
Direct Expenses	6	(25,025,613)	(22,818,373)
Income From Trading Activities		2,572,658,996	10,148,175,339
Other Income		6,622,140	9,509,579
Marketing Expenses		(13,600,247)	(8,965,254)
Administrative and General Expenses		(578,913,378)	(1,837,492,056)
Other Operating Expenses	7	(189,551,820)	(927,200,673)
Profit / (Loss) from Operating Activities	8	1,797,215,691	7,384,026,935
Finance Expenses	9	(11,871,613)	(10,559,564)
Profit Before Tax		1,785,344,078	7,373,467,371
Income Tax Expense	10	(591,828,496)	(2,466,563,408)
Profit / (Loss) for the year		1,193,515,582	4,906,903,963
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		1,193,515,582	4,906,903,963
Earnings / (Loss) Per Ordinary Share	11	36.21	148.89

The accounting policies and notes on pages 07 through 30 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

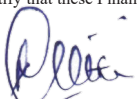
WealthTrust Securities Limited

STATEMENT OF FINANCIAL POSITION

As at 31 March

ASSETS	Note	2025 Rs.	2024 Rs.
Balance with Central Bank of Sri Lanka		125,758	898,381
Cash and Cash Equivalents	12.1	5,093,367	738,548
Derivative Financial Instruments	13.1	5,917,613	17,855,016
Securities purchased under Resale Agreements	14	1,194,882,662	2,471,956,866
Financial assets recognised through profit or loss/ held for trading - measured at fair value	15	21,555,797,956	23,880,569,227
Property, Plant and Equipment	16	19,067,579	14,096,564
Intangible Assets	17	3,489,561	5,062,946
Right-of-use assets	18	22,145,691	3,600,104
Deferred Tax Assets	19	9,814,291	8,767,346
Other Assets	20	130,117,353	153,778,066
Total Assets		22,946,451,831	26,557,323,064
EQUITY AND LIABILITIES			
Liabilities			
Bank Overdraft	12.2	596,388,811	1,451,500,585
Derivative Financial Instruments	13.2	-	14,348,055
Securities sold under Repurchase Agreements	25	15,648,175,642	14,790,309,547
Tax Liabilities	26	429,889,710	1,706,642,139
Post Employment Benefit Obligations	27	29,529,700	26,633,858
Lease Liabilities	18.1	23,526,271	4,556,790
Other Liabilities	28	399,614,285	1,937,013,545
Total Liabilities		17,127,124,419	19,931,004,519
Capital and Reserves			
Stated Capital	21	329,572,770	329,572,770
Special Risk Reserve	22	1,274,048,485	1,154,696,927
General Reserve	23	-	-
Retained Earnings	24	4,215,706,157	5,142,048,848
Total Equity		5,819,327,412	6,626,318,545
Total Equity and Liabilities		22,946,451,831	26,557,323,064
Net Assets per Ordinary Share		176.57	201.06

I certify that these Financial Statements have been prepared in compliance with the requirements of the Companies Act, No. 07 of 2007.



Mr. D A Athukoralage
General Manager
Finance & Planning/Business Processing

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the Board.



Mr. W S Weerasooria
Chairman



Mr. R R Gomez
Managing Director/CEO



WealthTrust Securities Limited

STATEMENT OF CHANGES IN EQUITY

Year ended 31 March

	Stated Capital	Retained Earnings	Special Risk Reserve	General Reserve	Total Equity
	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01 April 2023	329,572,770	3,022,391,389	664,006,533	453,728,656	4,469,699,348
First & Final Dividend for the year 2022/2023	-	(749,778,052)	-	-	(749,778,052)
Interim Dividend for the year 2023/2024	-	(2,000,506,714)	-	-	(2,000,506,714)
Net profit for the year	-	4,906,903,963	-	-	4,906,903,963
Transferred to Special Risk Reserve during the year	-	(490,690,394)	490,690,394	-	-
Transferred to General Reserve during the year	-	(28,966,899)	-	28,966,899	-
Transferred from General Reserve during the year	-	482,695,555	-	(482,695,555)	-
Balance as at 31 March 2024	329,572,770	5,142,048,848	1,154,696,927	-	6,626,318,545
Final Dividend for the year 2023/2024	-	(2,000,506,714)	-	-	(2,000,506,714)
Net profit for the year	-	1,193,515,582	-	-	1,193,515,582
Transferred to Special Risk Reserve during the year	-	(119,351,558)	119,351,558	-	-
Balance as at 31 March 2025	329,572,770	4,215,706,157	1,274,048,485	-	5,819,327,412

The accounting policies and notes on pages 07 through 30 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited STATEMENT OF CASH FLOWS Year ended 31 March

	2025 Rs.	2024 Rs.
Net Profit/ (Loss) Before Taxation	1,785,344,078	7,373,467,371
<u>Cash Flows From Operating Activities</u>		
Adjustments for:		
Depreciation	18,827,581	17,591,080
Lease Interest on Right-of-use assets	1,889,279	682,249
Disposal (gain)/ loss on Property, Plant & Equipment	-	7,710
Provision for Post Employee Benefits	2,895,842	3,713,966
Net fair value (gains)/ losses from financial assets recognised through profit or loss/ held for trading - measured at fair value	272,270,441	(178,445,827)
Operating Profit Before Working Capital Changes	2,081,227,219	7,217,016,549
<u>Changes In Working Capital</u>		
(Increase)/ Decrease in Financial assets recognised through profit or loss/ held for trading - measured at fair value	2,050,090,178	11,103,545,134
(Increase)/Decrease in Securities purchased under Resale Agreements	1,277,074,204	(440,140,644)
(Increase)/Decrease in Other Assets	23,660,713	(92,008,340)
Increase/(Decrease) in Other Liabilities	(1,537,399,260)	1,311,071,627
Increase/(Decrease) in Securities sold under Repurchase Agreements	857,866,095	(15,111,223,575)
	4,752,519,150	3,988,260,749
Lease Interest Paid on Right-of-use assets	(1,889,279)	(682,249)
Income Tax Paid	(1,869,627,870)	(1,311,550,554)
Gratuity Paid	-	(1,125,000)
Net Cash Inflow / (Outflow) from Operating Activities	2,881,002,002	2,674,902,946
<u>Cash Flows From Investing Activities</u>		
Acquisition of Property, Plant & Equipment and Intangible Assets	(17,092,478)	(9,106,084)
Proceeds from disposal of Property, Plant & Equipment	-	5,000
Net Cash Inflow / (Outflow) from Investing Activities	(17,092,478)	(9,101,084)
<u>Cash Flows From Financial Activities</u>		
Lease Principal Paid on Right-of-use assets	(4,708,840)	(5,622,101)
Dividends Paid	(2,000,506,714)	(2,750,284,766)
Net Cash Inflow / (Outflow) from Financing Activities	(2,005,215,554)	(2,755,906,867)
Net Increase/(Decrease) in Cash & Cash equivalents	858,693,970	(90,105,003)
Cash & Cash equivalents at the beginning of the year	(1,449,863,656)	(1,359,758,653)
Cash & Cash equivalents at the end of the year	(591,169,686)	(1,449,863,656)
Note A:		
<u>Analysis of Cash and Cash equivalents at the end of the year</u>		
Cash at Banks (Favorable balances)	5,189,125	1,606,929
Cash at Banks (Overdrawn balances)	(596,388,811)	(1,451,500,585)
Cash in Hand (Petty Cash Float)	30,000	30,000
	(591,169,686)	(1,449,863,656)

The accounting policies and notes on pages 07 through 30 form an integral part of these Financial Statements.
Figures in brackets indicate deductions.



1. CORPORATE INFORMATION

1.1 Name of the Company

WealthTrust Securities Limited

1.2 Domicile and Legal Form

WealthTrust Securities Limited is a public limited liability company incorporated under the provisions of the Companies Act, No. 07 of 2007 and domiciled in Sri Lanka. The registered office of the Company is located at No. 102/1, Dr. N.M. Perera Mawatha (Cotta Road), Colombo 08, Sri Lanka, and the principal business is also being carried out at this registered office.

Tel: +94 11 2675091-4, Fax: +94 11 2689605,

E-mail: info@wealthtrust.lk, Web: www.wealthtrust.lk

1.3 Incorporation

The Company was incorporated on 01st February 2010, and commenced commercial operations on 21st September 2011.

1.4 Principal Activities and Nature of Operations.

The principle activity of the Company is dealing (Primary Dealer) with Government Securities, appointed by the Central Bank of Sri Lanka. The Company also functions in the capacity of a Stock Dealer (Debt)/Stockbroker (Debt), licensed by the Securities and Exchange Commission of Sri Lanka.

1.5 Accounting yearend

31st March

1.6 Company Registration Number

PB 3796

1.7 Tax Payer Identification Number (TIN)

134037962

1.8 Bankers

- | | |
|---------------------------------|--------------------------|
| - Central Bank of Sri Lanka | - Nations Trust Bank PLC |
| - Bank of Ceylon | - DFCC Bank PLC |
| - Commercial Bank of Ceylon PLC | |
| - Sampath Bank PLC | |
| - Cargills Bank Limited | |
| - Hatton National Bank PLC | |



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2025

1.9 Board of Directors

- Mr. W S Weerasooria – Chairman (Appointed to the Board w.e.f. 11th January 2010 and appointed as the Chairman w.e.f. 04th July 2019)
- Mr. R R Gomez - Managing Director/CEO (Appointed to the Board w.e.f. 09th July 2021 as the Managing Director)
- Ms. A K Moonesinghe - Director (Appointed w.e.f. 16th January 2020)
- Mr. T A B Speldewinde - Director (Appointed w.e.f. 05th April 2021)
- Ms. S Gnanapragasam - Director (Appointed w.e.f. 31st January 2024)
- Mr. B T De S Weerasooria - Director (Appointed w.e.f. 29th August 2024)

1.10 Number of Employees

The number of employees at the end of the year was 31.

1.11 Auditors

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
Colombo 03
Sri Lanka

1.12 Secretaries

Corporate Services (Private) Limited
No. 216, De Seram Place
Colombo 10
Sri Lanka

1.13 Audit Committee

Mr. T. A. B. Speldewinde - Chairman
Ms. A. K. Moonesinghe - Member
Ms. S. Gnanapragasam - Member

1.14 Nomination & Remuneration Committee

Mr. W. S. Weerasooria - Chairman
Mr. T. A. B. Speldewinde - Member
Ms. S. Gnanapragasam - Member

1.15 Risk Management Committee

Mr. W. S. Weerasooria - Chairman
Ms. A. K. Moonesinghe - Member
Mr. T. A. B. Speldewinde - Member
Mr. R R Gomez - Member
Mr. B T De S Weerasooria - Member

1.16 Related Party Transactions Review Committee

Mr. T. A. B. Speldewinde – Chairman
Ms. A. K. Moonesinghe – Member
Ms. S. Gnanapragasam – Member



1.17 Credit Rating

The Company has been assigned with an Initial Entity Rating of A- with a Positive Outlook by Lanka Rating Agency.

2.1 BASIS OF PREPARATION

The Financial Statements, presented in Sri Lankan Rupees, have been prepared under the historical cost basis of accounting except for financial instruments, whereby transactions are recorded at the values prevailing on the dates when the assets were acquired, the liability were incurred, or the capital was obtained. The measurement bases of financial instruments disclosed in the note 2.3.6.

The assets and liabilities of the company presented in its Statement of Financial Position are grouped by nature and listed in an order that reflect their relative liquidity and maturity pattern.

2.1.1 Statement of Compliance

The Financial Statements of the Company (Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows together with Accounting Policies and Notes) as at 31 March 2025 are prepared in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) as laid down by the Institute of Chartered Accountants of Sri Lanka in compliance with the requirements of the Companies Act No. 07 of 2007.

2.1.2 Comparative Information

The comparative information is re-classified whenever necessary to conform to the current year's presentation.

2.1.3 Events after the Reporting Period

All material events after the Reporting period have been considered where appropriate adjustments to or disclosures have been made in the respective notes to the accounts.

2.2 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of Financial Statements of the Company in conformity with Sri Lanka Accounting Standards requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The most significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognized in the Financial Statements of the Company are as follows:



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

2.2.1 Going Concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations. Therefore, the financial statements continue to be prepared on the going concern basis.

2.2.2 Deferred tax assets

Deferred taxation is provided on the liability method. Tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible timing differences, carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible timing differences and the carry-forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.2.3 Defined benefit plans

The company has adopted LKAS 19 – "Employee Benefits" which requires the use of actuarial techniques to make reliable estimate of the amount of retirement benefit that employees have earned in return for their services in the current and prior periods and discount that benefit using the projected Unit Credit method in order to determine the present value of the retirement benefit obligations and the current service cost.

This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates about demographic and financial variables that will influence the cost of the benefit.

The following key assumptions were made in arriving at the above figure using the gratuity formula as per LKAS 19.

- (a). Rate of interest: 11.44%
- (b). Salary Increment Rate: 10.75%
- (c). Retirement Age: 60 Years
- (d). Staff Turnover Ratio: 3.22%

However, according to the payment of Gratuity Act, No.12 of 1983, the liability for gratuity to an employee arises only on completion of 5 years continued services with the Company. The liability is not externally funded nor actuarially valued.



2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the company in preparation of its financial statements are included below. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.3.1 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue represents the amount derived from the provision of goods and services, which will fall within the Company's ordinary activities net of trade discounts and revenue related taxes.

The following specific recognition criteria must also be met before revenue is recognised:

b) Interest income

Interest Income is recognized on an accrual basis.

c) Other Income

All other income is recognized on an accrual basis.

d) Net Capital Gain from trading financial assets recognized through profit or loss/ held for trading – measured at fair value

Income from net capital gain on sale of financial assets recognized through profit or loss/ held for trading - measured at fair value (Government/Dex Securities) is recognized at the point of trading.

2.3.2 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3.3 Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balance with Central Bank of Sri Lanka and balances with other banks.

2.3.4 Property, Plant and Equipment

Property, Plant and Equipment are recognised if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the asset can be measured reliably in accordance with LKAS 16 on Property, Plant & Equipment. Initially property and equipment are measured at cost.

Recognition and measurement

Cost Model

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.



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WealthTrust Securities Limited NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2025

Subsequent Cost

These are costs that are recognized in the carrying amount of an item, if it is probable that the future economic benefits embodied within that part will flow to the Company and it can be reliably measured.

Depreciation

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The rates of depreciations based on the estimated useful lives are as follows:

Office equipment	-	3	years
Furniture	-	3	years
Fixtures and fittings	-	3	years
Computers	-	3	years
Motor vehicles	-	3	years

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

De-recognition

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in 'Other income' in the statement of comprehensive income in the year the asset is derecognised. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

2.3.5 Intangible assets

The Company's intangible assets include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Amortization

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software	-	3 Years
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2.3.6 Financial Assets and Liabilities

Financial Assets

The Company followed LKAS 39-“Financial Instruments: Recognition and Measurement” until 31 December 2017 and adopted SLFRS 9- “Financial Instruments” from 01 January 2018. SLFRS 9 replaces LKAS 39. SLFRS 9 sets out requirements for recognizing and measuring financial assets and financial liabilities. A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another entity.

The Company initially recognizes financial assets and financial liabilities on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the financial instrument. A financial asset or financial liability is measured initially at fair value.

On initial recognition, a financial asset is classified as follows.



Classification of financial assets

SLFRS 9 contains three principal classification categories for financial assets as:

- (a) financial assets at fair value through profit or loss (FVTPL);
- (b) fair value through other comprehensive income (FVOCI); and
- (c) measured at amortised cost.

SLFRS 9 classification is generally based on the entity's business model in which a financial asset is managed and the contractual cash flow characteristics of the financial asset. SLFRS 9 eliminates the previous LKAS 39 categories of held to maturity (HTM), loans and receivables (L&R) and available for sale (AFS).

Therefore, on initial recognition, a financial asset is classified as measured at: FVTPL, FVOCI or amortised cost.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. Trading generally reflects active and frequent buying and selling, and financial instruments held for trading generally are used with the objective of generating a profit from short-term fluctuations in price.

Interest income of financial assets at FVTPL and measured at amortized cost is recorded under 'Interest Income' in the Statement of Comprehensive Income.

Financial assets at FVTPL/ held for trading consist of Government Securities (Treasury Bills and Treasury Bonds) issued by the Central Bank of Sri Lanka and Dex Securities (Quoted Debentures) quoted on the Colombo Stock Exchange (CSE).

Financial assets measured at amortized cost of the Company comprise of investment in Fixed Deposits.

Fair Value Measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

When available, the Company measures the fair value of a financial asset using quoted prices in an active market for that financial asset. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

Subsequent Measurement

Fair value of financial assets at fair value through profit or loss (FVTPL) is subsequently measured at using the active market prices on "Daily Summary Report on weighted average market prices" compiled by the Public Debt Department of the Central Bank of Sri Lanka and daily market values, "CSE Daily" published by the Colombo Stock Exchange for Dex Securities (Quoted Debentures). Any gain/loss in value of the financial assets at fair value through profit or loss (FVTPL) is recognized in the Statement of Comprehensive Income as "fair value gain/(loss) on financial assets at fair value through profit or loss (FVTPL)".

A debt instrument is measured at fair value through other comprehensive income (FVOCI) only if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL):

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely-payment-of-principal-and-interest (SPPI)



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WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

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The Company has not designated any financial instrument at fair value through other comprehensive income (FVOCI). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL or FVOCI:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Securities purchased under Resale Agreements are initially recognized at fair value and subsequently measured at amortised cost.

Securities purchased under Resale Agreements (Reverse Repos)

These are financial transactions in which the Company purchases a Government Security from the counterparty, with an obligation to sell it back at a certain later date. As the resale price is usually greater than the original purchase price, the difference effectively represents interest.

Securities purchased under Resale Agreements at a specified future date are not derecognized from the Statement of Financial Position as the Company retains substantially all of the risks and rewards of ownership. The corresponding cash paid is recognized in the Statement of Financial Position as a reduction in assets with a corresponding entitlement to receive it, including accrued interest as an asset under 'Securities purchased under Resale Agreements', reflecting the transaction's economic substance as a collateralized loan by the Company. The difference between the purchase and resale prices is treated as interest income in the Statement of Comprehensive Income and accrued over the life of agreement using the effective interest method.

Assessment of whether contractual cash flows are solely-payments-of-principal-and-interest (SPPI)

SPPI test is carried out as the second step of the financial assets classification process.

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 as well as profit margin.

If a financial asset passes the SPPI test, then it will either be classified at amortised cost if the "hold to collect" business model test is met, or at Fair Value through Other Comprehensive Income (FVOCI) if the "hold to collect and sell" business model test is met. If a financial asset fails, the SPPI test it must be classified at Fair Value through Profit or Loss (FVTPL) in its entirety.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets

Financial Liabilities

SLFRS 9 largely retains the existing requirements in LKAS 39 for the classification and measurement of financial liabilities.

The adoption of SLFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

At the inception the Company determines the classification of its financial liabilities. Accordingly, financial liabilities are classified as:

- i) Financial liabilities at fair value through profit or loss (FVTPL)
- ii) Financial liabilities at amortized cost.



The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Other financial liabilities comprise bank overdrafts, and trade and other payables. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

The Company did not have derivative financial liabilities as at the reporting date.

Financial Liabilities measured at amortized cost comprise Securities sold under Repurchase Agreements.

Securities sold under Repurchase Agreements (Repos)

These are financial transactions in which the Company sells a Government Security to the counterparty, with an obligation to buy it back at a certain later date. As the repurchase price is usually greater than the original sale price, the difference effectively represents with interest.

Securities sold under Repurchase Agreements at a specified future date are not derecognized from the Statement of Financial Position as the Company retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the Statement of Financial Position as an asset with a corresponding obligation to return it, including accrued interest as a liability under 'Securities sold under Repurchase Agreements', reflecting the transaction's economic substance as a collateralized loan to the Company. The difference between the sale and repurchase prices is treated as interest expense in the Statement of Comprehensive Income and is accrued over the life of agreement using the effective interest method.

Derecognition of Financial Assets and Financial Liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability in the Statement of Financial Position.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognized in profit or loss. The Company derecognizes a financial liability when its contractual obligations are discharged cancelled or expired.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under LKASs/SLFRSs, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.



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WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2025

2.3.7 Taxation

Income Tax expense comprises of current and deferred tax. Income tax expense is recognised in the Statement of Comprehensive Income.

a) Current Taxes

Management periodically evaluates position taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Deferred Taxation

Deferred taxation is provided on the liability method.

Tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible timing differences, carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible timing differences and the carry-forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3.8 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration as per SLFRS 16 and recognize right of use assets and lease liability.

2.3.8.1 Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes the lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.3.8.2 Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Right of use assets 5 years



2.3.8.3 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below.

(a) Lack of exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments also require disclosure of information that enables users of its Financial Statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 01 January 2025. Early adoption is permitted but will need to be disclosed. The entity does not have a material impact from the above standard.



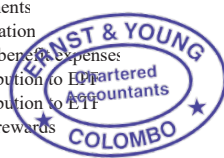
▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

3. INTEREST INCOME	2025	2024
	Rs.	Rs.
Interest Income on Resale Agreements	246,129,166	348,526,945
Interest Income on Treasury Bills & Treasury Bond	3,046,527,540	5,769,414,200
Interest Income on Fixed Deposits	1,938,826	-
	<u>3,294,595,532</u>	<u>6,117,941,145</u>
4. INTEREST EXPENSE	2025	2024
	Rs.	Rs.
Interest Expense on Repurchase Agreements	1,957,495,451	2,991,184,545
	<u>1,957,495,451</u>	<u>2,991,184,545</u>
5. NET GAINS/(LOSSES) FROM FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS/ HELD FOR TRADING - MEASURED AT FAIR VALUE	2025	2024
	Rs.	Rs.
Net capital gains/(losses) from trading	1,532,854,969	6,865,791,285
Net fair value gains/(losses) from fair valuation (Note 5.1)	(272,270,441)	178,445,827
	<u>1,260,584,528</u>	<u>7,044,237,112</u>
5.1 Net fair value gains/(losses) from valuation		
On financial assets recognised through profit or loss	(274,681,093)	473,141,729
On derivative financial assets	(11,937,403)	(280,347,847)
On derivative financial liabilities	14,348,055	(14,348,055)
	<u>(272,270,441)</u>	<u>178,445,827</u>
Gains/ (losses) on fair valuation of financial assets have been accounted for in accordance with the SLFRS 9		
6. DIRECT EXPENSES	2025	2024
	Rs.	Rs.
Brokerage on Government Securities trading	24,289,012	22,120,287
Brokerage on Dex Securities trading	736,601	698,086
	<u>25,025,613</u>	<u>22,818,373</u>
7. OTHER OPERATING EXPENSES	2025	2024
	Rs.	Rs.
Value Added Tax on Financial Services	166,435,744	844,393,533
Social Security Contribution Levy on Financial Services (w.e.f 01-10-22)	23,116,076	82,807,140
	<u>189,551,820</u>	<u>927,200,673</u>
Company pays Value added Tax on Financial Services at the rate of 18% and Social Security Contribution Levy on Financial Services at the rate of 2.5% on the liable turnover.		
8. PROFIT FROM OPERATING ACTIVITIES IS STATED AFTER CHARGING ALL EXPENSES INCLUDING THE FOLLOWING:	2025	2024
	Rs.	Rs.
Depreciation of property, plant and equipment	10,533,974	9,105,301
Depreciation of Right-of-use assets	5,132,733	4,704,756
Amortization of intangible assets	3,160,873	3,781,023
Directors' emoluments	90,833,031	362,900,834
Auditors' remuneration	1,252,590	1,242,982
Post employment benefits expenses	2,895,842	3,713,966
Employer's contribution to EPF	8,838,224	8,394,720
Employer's contribution to ESI	2,209,556	2,098,680
Staff salaries and rewards	318,463,160	1,322,212,000



WealthTrust Securities Limited
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

9. FINANCE EXPENSES

	2025 Rs.	2024 Rs.
Bank Charges	2,346,530	5,732,627
Lease Interest on Right of use assets	1,889,279	682,249
Bank Overdraft Interest	7,635,804	4,144,688
	<u>11,871,613</u>	<u>10,559,564</u>

10. INCOME TAX EXPENSES

	2025 Rs.	2024 Rs.
Current Income Tax		
Current Income Tax Charge	592,875,441	2,466,719,142
Under / (Over) Provision of current taxes in respect of prior years	-	-
	<u>592,875,441</u>	<u>2,466,719,142</u>
Deferred Income Tax		
Deferred Tax Charge / (Reversal)	(1,046,945)	(155,734)
Total Income tax expense reported in Statement of Comprehensive Income	<u>591,828,496</u>	<u>2,466,563,408</u>

The Company is liable to pay income tax in accordance with the Inland Revenue Act, No. 24 of 2017 and subsequent amendments thereto.

10.1 Reconciliation between Current Tax Expense / (Income)

	2025 Rs.	2024 Rs.
Accounting Profit	1,785,344,078	7,373,467,371
Aggregate Disallowed Items	210,606,382	871,322,704
Aggregate Allowable Expenses	(19,698,989)	(22,392,935)
Taxable Income	<u>1,976,251,471</u>	<u>8,222,397,140</u>
Tax Losses Utilized during the year	-	-
Business Income	<u>1,976,251,471</u>	<u>8,222,397,140</u>
Interest Income	-	-
	<u>-</u>	<u>-</u>
Total Taxable Income	1,976,251,471	8,222,397,140
Statutory Tax Rate	30%	30%
Current Income Tax Charge	<u>592,875,441</u>	<u>2,466,719,142</u>

11. EARNINGS PER ORDINARY SHARE

The basic earnings /(loss) per ordinary share is calculated on Net Profit for the year attributable to Ordinary shareholders divided by weighted average number of ordinary shares in issue and ranking for dividends during the year as follows:

	2025 Rs.	2024 Rs.
Net Profit/(Loss) attributable to ordinary shareholders	1,193,515,582	4,906,903,963
Weighted average number of ordinary shares in issue during the year	32,957,277	32,957,277
Basic Earnings/(Loss) Per Ordinary Share	<u>36.21</u>	<u>148.89</u>



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WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

12. CASH AND CASH EQUIVALENTS	2025 Rs.	2024 Rs.
12.1 Favourable Balances		
Commercial Bank of Ceylon PLC- Borella Branch	1,386,410	30,910
Commercial Bank of Ceylon PLC- Borella Branch	32,812	30,495
Commercial Bank of Ceylon PLC- Foreign Branch	31,623	30,123
Bank of Ceylon - Corporate Branch	251,225	255,395
Bank of Ceylon - Corporate Branch	257,931	269,274
Sampath Bank PLC- Borella Super Branch	2,964,660	-
DFCC Bank PLC - Piliyandala Branch	43,291	41,591
Cargills Bank PLC (DAB) - Kollupitiya Branch	1,565	1,586
Cargills Bank PLC - Kollupitiya Branch	52,174	49,174
Hatton National Bank PLC- Borella Branch	41,675	-
Petty Cash Float	30,000	30,000
	<u>5,093,367</u>	<u>738,548</u>
12.2 Unfavourable Balances/ Bank overdraft		
Sampath Bank PLC- Borella Super Branch	100,495,109	204,988,598
Sampath Bank PLC- Borella Super Branch	-	507,900,800
Hatton National Bank PLC- Pettah Branch	395,882,700	489,560,725
Nations Trust Bank PLC - Borella Branch	100,011,002	249,050,462
	<u>596,388,811</u>	<u>1,451,500,585</u>

13. DERIVATIVE FINANCIAL INSTRUMENTS	2025 Rs.	2024 Rs.
13.1 Assets		
Forward purchase contracts - Government securities (Note 5.1)	866,702	17,855,016
Forward sale contracts - Government securities (Note 5.1)	5,050,911	-
	<u>5,917,613</u>	<u>17,855,016</u>
13.2 Liabilities		
Forward sale contracts - Government securities (Note 5.1)	-	14,348,055
	<u>-</u>	<u>14,348,055</u>

14. SECURITIES PURCHASED UNDER RESALE OF AGREEMENTS	2025 Rs.	2024 Rs.
Resale Agreements	<u>1,194,882,662</u>	<u>2,471,956,866</u>
	<u>1,194,882,662</u>	<u>2,471,956,866</u>
Market value of Government Securities obtained as collateral	1,436,880,001	2,978,100,868

The policy on haircut on the collateral taken on Resale Agreements is to agree in writing, with the counterparties, the haircut requirements for each resale transaction on discounted market value of such resale agreement related securities based on the remaining tenor to maturity of the reverse repurchased security as follows.

Remaining Tenor to Maturity of the Security	Haircut
Up to 1 year	4% or above
More than 1 year and up to 3 years	6% or above
More than 3 years and up to 5 years	8% or above
More than 5 years and up to 8 years	10% or above
More than 8 years	12% or above

The discounted market values of reverse repurchased securities are valued on a daily basis by using “weighted average market prices” of Government Securities, published by the Public Debt Department of the Central Bank of Sri Lanka while adequacy of above noted haircut requirements are monitored daily with a risk-based approach by using system generated control reports and close perusal by authorized operational staff.

In accordance with SLFRS 13, fair value hierarchy of the above Resale Agreements is given below:

	2025 Rs.	2024 Rs.
Level 3	1,194,882,662	2,471,956,866
Total fair value	<u>1,194,882,662</u>	<u>2,471,956,866</u>
Maturity analysis of the above Resale Agreements is given below:		
Up to 3 months	1,194,882,662	2,471,956,866
3 to 12 months	-	-
Total	<u>1,194,882,662</u>	<u>2,471,956,866</u>



WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

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15. FINANCIAL ASSETS RECOGNISED THROUGH PROFIT OR LOSS/ HELD FOR TRADING - MEASURED AT FAIR VALUE	2025 Rs.	2024 Rs.
Government Securities (Note 15.1)	21,555,797,956	23,880,569,227
	<u>21,555,797,956</u>	<u>23,880,569,227</u>
The value of encumbered securities included in the above Government Securities	16,126,127,213	15,500,236,143

15.1 Government Securities	2025 Rs.	2024 Rs.
Government Treasury Bills	3,040,785,042	11,584,655,857
Government Treasury Bonds	18,128,423,867	11,634,643,230
	<u>21,169,208,909</u>	<u>23,219,299,087</u>
Add/(Less): Net fair value gains/(losses) on Government Treasury Bills & Bonds	386,589,047	661,270,140
	<u>21,555,797,956</u>	<u>23,880,569,227</u>

In accordance with SLFRS 13, fair value hierarchy of the above Government Securities is given below:

Level 1	21,555,797,956	23,880,569,227
Level 2	-	-
Level 3	-	-
Total fair value	<u>21,555,797,956</u>	<u>23,880,569,227</u>

Maturity analysis of the above Government Securities is given below:



Up to 3 months	3,731,499,088	6,612,382,252
3 to 12 months	725,726,171	5,081,229,003
1 to 3 years	4,589,986,497	6,282,070,009
3 to 5 years	10,641,240,328	5,047,182,518
More than 5 years	1,867,345,872	857,705,445
	<u>21,555,797,956</u>	<u>23,880,569,227</u>

▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

16. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment Rs.	Furniture Rs.	Fixtures & Fittings Rs.	Computers Rs.	Motor Vehicles Rs.	Total Rs.
16.1 Cost						
As at 01 April 2024	12,554,425	4,077,261	22,563,831	32,008,062	291,950	71,495,528
Additions	1,548,394	2,251,794	7,195,876	4,508,926	-	15,504,990
Disposals	-	-	-	-	-	-
As at 31 March 2025	14,102,819	6,329,055	29,759,707	36,516,988	291,950	87,000,518
16.2 Accumulated Depreciation						
As at 01 April 2024	8,462,825	3,530,255	21,376,446	23,737,489	291,950	57,398,965
Charge for the year	2,136,582	337,117	2,194,550	5,865,726	-	10,533,974
Depreciation on disposals	-	-	-	-	-	-
As at 31 March 2025	10,599,407	3,867,372	23,570,996	29,603,215	291,950	67,932,939
16.3 Net book value as at 31 March 2025	3,503,412	2,461,683	6,188,711	6,913,773	-	19,067,579
Net book value as at 31 March 2024	4,091,600	547,006	1,187,385	8,270,573	-	14,096,564

16.4 During the financial year, the Company acquired property, plant and equipment to the aggregate value of Rs.15,504,990.

17. INTANGIBLE ASSETS

	2025 Rs.	2024 Rs.
Cost		
Balance as at the beginning of the year	27,355,363	26,822,363
Additions	1,587,488	533,000
Balance as at the end of the year	28,942,851	27,355,363
Amortization & Impairment		
Balance as at the beginning of the year	22,292,417	18,511,394
Amortization Charge for the year	3,160,873	3,781,023
Balance as at the end of the year	25,453,290	22,292,417
Net book value as at the year end	3,489,561	5,062,946



WealthTrust Securities Limited
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

18. RIGHT OF USE ASSETS	2025	2024
	Rs.	Rs.
Cost		
Balance as at the beginning of the year	24,226,548	24,226,548
Additions and Improvements	23,678,320	-
Retirement of lease	-	-
Balance as at the end of the year	47,904,868	24,226,548
Accumulated Amortization		
Balance as at the beginning of the year	20,626,444	15,921,688
Charge for the Year	5,132,733	4,704,756
Retirement of lease	-	-
Balance as at the end of the year	25,759,177	20,626,444
Net book value as at the year end	22,145,691	3,600,104

The Company signed a renewal lease agreement for further 5 years, commencing on 05th September 2024 in respect of the Head Office premises at No. 102/1, Dr. N.M. Perera Mawatha (Cotta Road), Colombo 08, Sri Lanka. Lease payments have been discounted using the incremental borrowing rate of 12.80%. The Company entered into another six year lease agreement from 01st January 2021 for its Disaster Recovery Site at No.343/C/1, Ekamuthu Mawatha, Thalagama North, Battaramulla, Sri Lanka of which lease payments have been discounted using the incremental borrowing rate of 6.81%. In accordance with SLFRS -16, the above Right-of-use assets have been recognised and corresponding Lease Liabilities are disclosed in Notes 18.1 and 18.2. The lease interest expense is disclosed under Finance Expenses in Note 9. Lease payments have been duly disclosed in accordance with LKAS - 7, Statement of Cash Flows.

18.1 Lease Liability	2025	2024
	Rs.	Rs.
Balance as at the beginning of the year	4,556,790	10,178,891
Additions and Improvements	23,678,320	-
Interest on Lease Liability	1,889,279	682,249
Payments	(6,598,118)	(6,304,350)
Balance as at the end of the year	23,526,271	4,556,790

18.2 Maturity Analysis of Lease Liability

Amount payable within 1 year	Amount Payable after 1 year & below 5 years	Total
Rs.	Rs.	Rs.
Head Office	3,414,984	18,558,404
Disaster Recovery Site	864,707	688,176
	4,279,691	19,246,580
		23,526,271

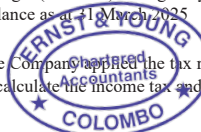
19. DEFERRED TAXATION

Deferred taxes are calculated on all temporary differences under the liability method using the effective tax rate of 30%.

The movement on the deferred tax asset account is as follows.

	Accelerated depreciation allowance for tax purpose – PPE	Retirement benefit	Total
	Rs.	Rs.	Rs.
Balance as at 01 April 2024	777,189	7,990,157	8,767,346
Charge/ (Reversal) during the year	178,192	868,753	1,046,945
Balance as at 31 March 2025	955,381	8,858,910	9,814,291

The Company applied the tax rate of 30% in line with the Inland Revenue Act, No. 24 of 2017 and subsequent amendments thereto, to calculate the income tax and deferred tax asset of the Company as at 31 March 2025.



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

20. OTHER ASSETS	2025 Rs.	2024 Rs.
Prepaid Expenses - Software Maintenance	1,975,934	1,961,253
Refundable Deposits for Payroll Processing	42,500	42,500
Prepaid Expenses - Others	11,706,434	5,661,267
Other Advances	18,822,596	64,901,512
Employee Emergency Loans (EEL)	34,893	89,760
Prepaid Expenses - Staff & Assets Insurance	970,355	1,012,357
Rent Deposit	1,395,000	1,395,000
Refundable Deposit with Ceylon Electricity Board	155,800	155,800
Other Receivables	95,013,841	78,558,616
	<u>130,117,353</u>	<u>153,778,066</u>

21. STATED CAPITAL	2025 Rs.	2024 Rs.
Fully Paid Ordinary Shares	329,572,770	329,572,770
(32,957,277 Ordinary Shares)	<u>329,572,770</u>	<u>329,572,770</u>

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

22. SPECIAL RISK RESERVE	2025 Rs.	2024 Rs.
Balance at the beginning of the year	1,154,696,927	664,006,533
Transferred to Special Risk Reserve during the year	119,351,558	490,690,394
Balance at the end of the year	<u>1,274,048,485</u>	<u>1,154,696,927</u>

As per the Direction issued by the Public Debt Department of Central Bank of Sri Lanka on April 18, 2005, with effect from July 01, 2005, Primary Dealers who maintain a capital above Rs. 300 million are required to allocate 25% of post-tax profits to a Special Risk Reserve annually. This Direction was revoked with the Direction No. 01 of 2015, issued on October 28, 2015, wherein Primary Dealers maintaining a core capital above Rs. 1,000 million are required to transfer a sum not less than 10% of post-tax profits to the Special Risk Reserve annually.

23. GENERAL RESERVE	2025 Rs.	2024 Rs.
Balance at the beginning of the year	-	453,728,656
Transferred to General Reserve during the year	-	28,966,899
Transferred from General Reserve during the year	-	(482,695,555)
Balance at the end of the year	<u>-</u>	<u>-</u>



WealthTrust Securities Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March

24. RETAINED EARNINGS	2025 Rs.	2024 Rs.
Balance as at beginning of the year	5,142,048,848	3,022,391,389
First & Final Dividend for the year 2022/2023	-	(749,778,052)
Interim Dividend for the year 2023/2024	-	(2,000,506,714)
Final Dividend for the year 2023/2024	(2,000,506,714)	-
Net Profit/(Loss) for the year	1,193,515,582	4,906,903,963
Transferred to General Reserve during the year	-	(28,966,899)
Transferred from General Reserve during the year	-	482,695,555
Transferred to Special Risk Reserve during the year	(119,351,558)	(490,690,394)
Balance as at end of the year	<u>4,215,706,157</u>	<u>5,142,048,848</u>

25. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	2025 Rs.	2024 Rs.
Repurchase Agreements	<u>15,648,175,642</u>	<u>14,790,309,547</u>
	<u>15,648,175,642</u>	<u>14,790,309,547</u>
Market value of Government Securities allocated as collateral	17,367,653,165	16,219,858,214

The policy on haircut on the collateral given on Repurchase Agreements is to agree in writing, with the counterparties, the haircut requirements for each repurchase transaction on discounted market value of such repurchase agreement related securities based on the remaining tenor to maturity of the repurchased security as follows.

Remaining Tenor to Maturity of the Security	Haircut
Up to 1 year	4% or above
More than 1 year and up to 3 years	6% or above
More than 3 years and up to 5 years	8% or above
More than 5 years and up to 8 years	10% or above
More than 8 years	12% or above

The discounted market values of repurchased securities are valued on a daily basis by using “weighted average market prices” of Government Securities, published by the Public Debt Department of the Central Bank of Sri Lanka while adequacy of above noted haircut requirements are monitored daily with a risk-based approach by using system generated control reports and close perusal by authorized operational staff.

In accordance with SLFRS 13, fair value hierarchy of the above Repurchase Agreements is given below:

	2025 Rs.	2024 Rs.
Level 1	-	-
Level 2	-	-
Level 3	15,648,175,642	14,790,309,547
Total fair value	<u>15,648,175,642</u>	<u>14,790,309,547</u>

Maturity analysis of the above Repurchase Agreements is given below:

Up to 3 months	12,412,030,851	14,790,309,547
3 to 12 months	3,236,144,791	-
Total	<u>15,648,175,642</u>	<u>14,790,309,547</u>



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

26. TAX LIABILITIES	2025 Rs.	2024 Rs.
INCOME TAX:		
Balance at the beginning of the year	1,706,642,139	551,473,551
Income Tax provision for the year (Note 10)	592,875,441	2,466,719,142
Income Tax paid during the year	(1,869,627,870)	(1,311,550,554)
Balance at the end of the year	429,889,710	1,706,642,139

27. POST EMPLOYMENT BENEFIT OBLIGATIONS	2025 Rs.	2024 Rs.
Gratuity Opening balance	26,633,858	24,044,892
Add: Charges for the year	2,776,666	2,582,428
Add: Interest for the year	2,969,776	3,000,237
Add: Deficit / (Surplus) charge for the year	(2,850,600)	(1,868,699)
Paid during the year	-	(1,125,000)
Gratuity closing balance	29,529,700	26,633,858

28. OTHER LIABILITIES	2025 Rs.	2024 Rs.
Provision for Expenses	395,398,414	1,632,934,631
Accrued Expenses	4,215,871	304,078,914
	399,614,285	1,937,013,545

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

29.1 Financial Assets & Liabilities Recorded at Fair Value

The following is a description of how fair values are determined for assets and liabilities that are recorded at fair value using valuation techniques. These incorporate the Company estimate of assumption that a market participant would make when valuing the asset or the liability.

29.2 Determination of Fair Value and Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of assets & liabilities by valuation technique.

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For following financial assets and financial liabilities that have a short term maturity it is assumed that the carrying amounts approximate their fair value.

	2025		2024	
	Cost Rs.	Fair Value Rs.	Cost Rs.	Fair Value Rs.
Assets				
Balance with Central Bank of Sri Lanka	125,758	125,758	898,381	898,381
Cash and Cash Equivalents	5,093,367	5,093,367	738,548	738,548
Derivative Financial Instruments	5,917,613	5,917,613	17,855,016	17,855,016
Securities purchased under Resale Agreements	1,193,057,952	1,194,882,662	2,467,004,953	2,471,956,866
Financial assets recognised through profit or loss/ held for trading - measured at fair value	21,169,208,909	21,555,797,956	23,219,299,087	23,880,569,227
Liabilities				
Bank Overdraft	596,388,811	596,388,811	1,451,500,585	1,451,500,585
Derivative Financial Instruments	-	-	14,348,055	14,348,055
Securities sold under Repurchase Agreements	15,563,530,651	15,648,175,642	14,764,516,496	14,790,309,547



30. FINANCIAL RISK MANAGEMENT

The Company's business involves functioning in Sri Lankan capital and money market as a licensed Primary Dealer in Government Securities and stock Dealer / Stock Broker for Corporate Debt, licensed by the Securities and Exchange Commission of Sri Lanka, professionally managing the risk and return of its portfolio which consists of financial assets. The core functions of the Company's risk management are to identify all significant risks for the Company, measure these risks, manage the risk positions and determine capital allocations. The Company reviews frequently its risk management policies and systems to manage and monitor the changes in such market conditions. The Company's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Company's financial performance. The Company's activities expose to below risks;

- Credit Risk
- Liquidity Risk
- Market Risk (Including currency risk and Interest rate risk)

30.1 Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company. The Company's credit risk arises mainly from lending activities on Securities Purchased Under Resale Agreements (Reverse Repos). However, credit risk on Securities Purchased Under Resale Agreements is very remote since the Company always obtains Government Securities as collateral with sufficient haircuts as per the policy on such haircuts when entering into such transactions as disclosed in Note (14). Moreover, the amount of Securities purchased under Resale Agreements and the market value of Government Securities obtained as collateral as of the Statement of Financial Position are disclosed in Note (14).

The carrying amount of Financial assets represents the maximum credit exposure. The exposure to credit risk at the reporting date was;

	2025		2024	
	Maximum Exposure to Credit Risk	Net Exposure	Maximum Exposure to Credit Risk	Net Exposure
	Rs.	Rs.	Rs.	Rs.
Balance with Central Bank of Sri Lanka	125,758	125,758	898,381	898,381
Cash and Cash Equivalents	5,093,367	5,093,367	738,548	738,548
Derivative Financial Instruments	5,917,613	5,917,613	17,855,016	17,855,016
Securities purchased under Resale Agreements	1,194,882,662	1,194,882,662	2,471,956,866	2,471,956,866
Financial assets recognised through profit or loss/ held for trading - measured at fair value	21,555,797,956	21,555,797,956	23,880,569,227	23,880,569,227
	<u>22,761,817,356</u>	<u>22,761,817,356</u>	<u>26,372,018,038</u>	<u>26,372,018,038</u>

30.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's liquidity risk arises mainly from business activities on Securities sold under Repurchase Agreements (Repos).

Cash flow forecasting is performed by the officers of both front office and back office operations on a daily basis to monitor the daily liquidity requirements ensuring that the Company is having sufficient cash to meet its operational needs. Such forecasting takes into consideration the compliance with internal statement of financial position ratio targets and, if applicable external regulatory requirements – for example, Repos to Total Assets Ratio that has to be maintained below 90% as monitored by the Company's regulator, Central Bank of Sri Lanka. The Company recorded 68.18% of this ratio as of the date of Statement of Financial Position.

The Company's treasury invests surplus cash in Government/Dex Securities, choosing appropriate maturities & interest rates and considering the required liquidity requirements as determined by the above-mentioned cash flow forecasts.

The maturity profile of the resale agreements and trading portfolio is designed and managed to meet the required level of liquidity as and when liquidity outgo arises taking into consideration the time horizon of the financial liabilities chiefly on repurchase agreements which are maturing within one year as of the Statement of Financial Position. Currently the Company does not hold an investment portfolio in its business based on above mentioned cash flow forecasts. Maturity analysis of resale agreements, trading portfolio and repurchase agreements are disclosed in Notes 14, 15 and 25 respectively.



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

30. FINANCIAL RISK MANAGEMENT (Contd...)

30.3 Market Risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

30.4 Currency Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. However, during the current or previous financial year, the Company did not maintain foreign currency denominated financial assets in its portfolios, and as such is not exposed to currency risk.

30.5 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. Fair value of financial assets held for trading which are currently composed of Government and Dex Securities changes due to fluctuations in market yields which are daily monitored by the Senior Management by revaluing its trading portfolio on a daily basis and adjusting in the Company's Statement of Comprehensive Income as "net fair value gains/(losses) from financial assets recognised through profit or loss/ held for trading - measured at fair value". Company's regulator, the Central Bank of Sri Lanka daily publishes on their website, the market yields on Government Treasury Bills & Treasury Bonds on the "Daily Summary Report" on weighted average market prices under the Government Securities, while daily market yields on Dex Securities are published by the Colombo Stock Exchange on their "CSE Daily". Interest income increase as a result of hikes in market yields but creates fair value losses if the relevant Securities lying in the trading portfolio or if sold out capital losses on such securities are realized. Inversely, Interest income decrease as a result of dips in market yields but creates fair value gains if the relevant Securities lying in the trading portfolio or if sold out capital gains on such securities are realized.

The Board sets limits on the level of mismatch of interest rates and value at risk that may be undertaken, which is monitored daily by the Senior Management as noted above. Hence, the Company has disclosed the details of its financial assets recognised through profit or loss/ held for trading and fair valuation effects as of the date of the Statement of Financial Position in Note 15.

30.6 Other Price Risks

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Other price risk arises from investments such as in equity securities of which prices in the future are uncertain. The Company does not hold such assets as of the date of the Statement of Financial Position.

31. RELATED PARTY DISCLOSURES

The Company carryout transactions in the ordinary course of business with the parties who are defined as related parties in the Sri Lanka Accounting Standards - LKAS 24 (Related Party Disclosures), the details of which are reported below.

31.1 Terms and Conditions

The pricing applicable to such transactions is based on the assessment of risk and pricing model of the company and is comparable with what is applied to transactions between the company and its unrelated customers.

31.2 Parent and Ultimate Controlling Party

The Company does not have an identifiable parent of its own.



WealthTrust Securities Limited
NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March

31. RELATED PARTY DISCLOSURES (Contd...)

31.3 Transactions with Key Managerial Personnel (KMP)

As per Sri Lanka Accounting Standard - LKAS 24 (Related Party Disclosures), Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity directly and indirectly including any director (whether executive or otherwise). According to the above definition, a person cannot be considered as a KMP unless such person has both the authority and responsibility to carry out all the three activities mentioned in the above definition (i.e. planning, directing and controlling the activities of the entity).

Accordingly the Key Management Personnel (KMP) of the Company are Deputy Chief Executive Officer, General Manager-Finance & Planning/ Business Processing and the Board of Directors.

31.3.1 Compensation to KMP	2025 Rs.	2024 Rs.
Short-term benefits	175,531,156	728,450,834

Short-term benefits represent salaries, rewards, fees and other related expenses of KMP.

31.3.2 Transactions with KMP and their Close Family Members (CFM)

CFMs of the KMP are those family members who may be expected to influence or to be influenced by that KMP in their dealings with the entity. They may include KMP's domestic partner, children of the KMP's domestic partner and dependents of the KMP. Aggregate value of the transactions with KMP and their CFMs are disclosed below.

Statement of Financial Position As at 31 March	2025 Rs.	2024 Rs.
Assets		
Resale Agreements	-	-
Liabilities		
Repurchase Agreements	959,782,382	40,610,538
Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 March		
Interest Income on Resale Agreements	-	-
Interest Expense on Repurchase Agreements	17,521,754	7,807,091
Net capital gains from trading financial assets recognised through profit or	351,660	899,634



▶ ANNEXURE 2 – AUDITED FINANCIAL STATEMENTS AS AT 31ST MARCH 2025

WealthTrust Securities Limited

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March

32. CAPITAL COMMITMENTS, LITIGATIONS, DISPUTES AND CONTINGENT LIABILITIES

Except for below, there were no material capital commitments and contingent liabilities outstanding as at the reporting date.

32.1 Pending Litigations

WealthTrust Securities Limited has filed the below noted Case Stated Applications against the Determinations of the Tax Appeals Commission, pertaining to respective appeals made by the Company with regards to following taxes.

C.A. Tax No. 05/2021 relating to VAT on Financial Services amounting to LKR 24.9 Mn and LKR 50.0 Mn for the years of assessment 2012/13 and 2013/14. C.A. Tax No.223/2024 relating to VAT on Financial Services amounting to LKR 138.99 Mn for the years of assessment 2014/15. C.A. Tax No.228/2024 relating to VAT on Financial Services amounting to LKR 227.51 Mn for the years of assessment 2016/17. C.A. Tax No.227/2024 relating to NBT on Financial Services amounting to LKR 19.72 Mn for the years of assessment 2014/15. C.A. Tax No.200/2024 relating to NBT on Financial Services amounting to LKR 28.70 Mn for the years of assessment 2015/16. C.A. Tax No.207/2024 relating to NBT on Financial Services amounting to LKR 33.96 Mn for the years of assessment 2016/17. Based on the confirmation of the lawyers, the above cases are being contested and the likelihood of an unfavourable outcome does not arise at this stage.

32.2 Tax Assessments

The Company has appealed against VAT on Financial Services amounting to LKR 155.75 Mn and LKR 98.06 Mn respectively for the years of assessment 2015/16 and 2017/18. Appeal in respect of 2017/18 has been made to the Commissioner General of Inland Revenue, and the remainder of the appeal was made to the Tax Appeals Commission. The related appeals against the said assessments and determinations have been duly submitted. Based on the Tax Consultant's opinion, the Board of Directors of WealthTrust Securities Limited is of the view that no unfavourable outcome would arise on the above-mentioned tax matters as they are outside the scope of chargeability of taxes and are being contested.

33. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There were no material events occurring after the balance sheet date that require adjustments or disclosure in the Financial Statements except for the following,

The 14th Annual General Meeting of the Company will be held on 30th July 2025 at 12.00 noon at the Board Room of the Company, No.102/1, Dr. N.M. Perera Mawatha (Cotta Road), Colombo 08, Sri Lanka.

34. APPROVAL OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS

The Financial Statements of the Company for the year ended 31st March 2025 were authorized for issue on 26th June 2025.



▶ ANNEXURE 3 – INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2025

WEALTHTRUST SECURITIES LIMITED

Central Bank appointed Primary Dealer

FINANCIAL YEAR 2025/ 2026

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED

30-Sep-2025



WEALTHTRUST SECURITIES LIMITED

No. 102/1, Dr. N.M. Perera Mawatha Colombo 08, Sri Lanka
Tel: +94 11 2675091-4 Fax: +94 11 2689605

▶ ANNEXURE 3 – INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2025

WEALTHTRUST SECURITIES LIMITED

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE	Note	QUARTER ENDED		SIX MONTHS ENDED	
		30-Sep-25 Rs. (Unaudited)	30-Sep-24 Rs. (Unaudited)	30-Sep-25 Rs. (Unaudited)	30-Sep-24 Rs. (Unaudited)
Interest Income	2	1,084,407,473	865,383,948	1,876,540,410	1,692,241,774
Interest Expense	3	(713,356,106)	(511,449,379)	(1,200,741,136)	(954,798,234)
Net Interest Income		371,051,367	353,934,569	675,799,274	737,443,540
Net gains/ (losses) from financial assets recognised through profit or loss/ held for trading - measured at fair value	4	(8,746,019)	3,811,022	364,867,328	175,157,589
Brokerage Income on Dex trading		-	-	-	-
Direct Expenses		(3,200,207)	(5,089,358)	(10,617,787)	(9,964,516)
Income From Trading Activities		359,105,141	352,656,233	1,030,048,815	902,636,613
Other Income	5	780,432	2,596,943	1,622,777	3,589,319
Marketing Expenses		(547,109)	(2,248,501)	(1,820,937)	(2,276,561)
Administrative and General Expenses		(101,995,276)	(102,606,788)	(251,263,677)	(228,099,489)
Other Operating Expenses	6	(55,900,499)	(41,484,989)	(103,841,571)	(78,291,180)
Profit / (Loss) from Operating Activities		201,442,689	208,912,898	674,745,407	597,558,703
Finance Expenses		(4,828,622)	(2,578,035)	(11,521,791)	(5,646,785)
Profit / (Loss) Before Tax		196,614,067	206,334,863	663,223,616	591,911,917
Income Tax Expense	7	(74,519,017)	(73,524,789)	(226,102,766)	(197,139,725)
Profit / (Loss) for the Period		122,095,050	132,810,074	437,120,850	394,772,192
Other Comprehensive Income for the Period		-	-	-	-
Earnings Per Ordinary Share					
Total Comprehensive Income for the Period		122,095,050	132,810,074	437,120,850	394,772,192
Earnings/ (Loss) Per Ordinary Share (Rs.)	8	0.10	0.11	0.37	0.34

Figures in brackets indicate deductions.




WEALTHTRUST SECURITIES LIMITED

STATEMENT OF FINANCIAL POSITION

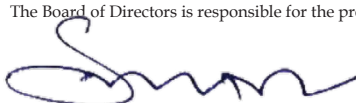
	Note	As At 30-Sep-25 Rs. (Unaudited)	As At 31-Mar-25 Rs. (Audited)
ASSETS			
Balance with Central Bank of Sri Lanka		181,377	125,758
Cash and Cash Equivalents		1,030,804	5,093,367
Derivative Financial Instruments		835,050	5,917,613
Securities purchased under Resale Agreements		2,345,532,412	1,194,882,662
Financial assets recognised through profit or loss/ held for trading - measured at fair value		36,763,503,093	21,555,797,956
Property, Plant and Equipment		21,660,987	19,067,579
Intangible Assets		3,018,768	3,489,561
Right-of-use assets		19,426,476	22,145,691
Deferred Tax Assets		9,814,291	9,814,291
Other Assets		151,622,649	130,117,353
Total Assets		39,316,625,907	22,946,451,831
EQUITY AND LIABILITIES			
Liabilities			
Bank Overdraft		1,546,542,823	596,388,811
Derivative Financial Instruments		174,150	-
Securities sold under Repurchase Agreements		30,923,504,048	15,648,175,642
Income Tax		181,975,747	429,889,710
Post Employment Benefit Obligations		30,076,575	29,529,700
Lease Liabilities		21,256,234	23,526,271
Other Liabilities		356,648,067	399,614,285
Total Liabilities		33,060,177,644	17,127,124,419
Capital and Reserves			
Stated Capital	9	329,572,770	329,572,770
Special Risk Reserve		1,317,760,570	1,274,048,485
General Reserve		-	-
Retained Earnings		4,609,114,923	4,215,706,157
Total Equity		6,256,448,263	5,819,327,412
Total Equity and Liabilities		39,316,625,907	22,946,451,831
Net Assets per Ordinary Share (Rs.)	11	5.42	5.04

The above are unaudited financial statements unless indicated as audited.

These financial statements are in compliance with the requirements of the Companies Act, No.07 of 2007.


Mr. D A Athukoralage
 General Manager
 Finance & Planning/Business Processing

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.


Mr. W S Weerasooria
 Chairman


Mr. R R Gomez
 Managing Director/CEO

28th October 2025
 Colombo, Sri Lanka

▶ ANNEXURE 3 – INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2025

WEALTHTRUST SECURITIES LIMITED

STATEMENT OF CHANGES IN EQUITY For the period ended 30-Sep-25

	Stated Capital Rs.	Retained Earnings Rs.	Special Risk Reserve Rs.	General Reserve Rs.	Total Equity Rs.
Balance as at 01-Apr-24 (Audited)	329,572,770	5,142,048,848	1,154,696,927	-	6,626,318,545
Net Profit/(Loss) for the period		394,772,192			394,772,192
Transferred to Special Risk Reserve during the period		(39,477,219)	39,477,219		-
Balance as at 30-Sep-24 (Unaudited)	<u>329,572,770</u>	<u>5,497,343,821</u>	<u>1,194,174,146</u>	<u>-</u>	<u>7,021,090,737</u>
Balance as at 01-Apr-25 (Audited)	329,572,770	4,215,706,157	1,274,048,485	-	5,819,327,412
Net Profit/(Loss) for the period		437,120,850			437,120,850
Transferred to Special Risk Reserve during the period		(43,712,085)	43,712,085		-
Balance as at 30-Sep-25 (Unaudited)	<u>329,572,770</u>	<u>4,609,114,923</u>	<u>1,317,760,570</u>	<u>-</u>	<u>6,256,448,263</u>

Figures in brackets indicate deductions.



WEALTHTRUST SECURITIES LIMITED

STATEMENT OF CASH FLOWS For the period ended	30-Sep-25 Rs. (Unaudited)	30-Sep-24 Rs. (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) Before Taxation	663,223,616	591,911,917
Adjustments for:		
Depreciation	10,380,253	8,781,537
Lease Interest on Right-of-use assets	1,396,012	382,584
Disposal (gain)/ loss on Property, Plant & Equipment	(711,500)	-
Provision for Gratuity	1,658,875	1,516,167
Net fair value (gains)/ losses from financial assets recognised through profit or loss/ held for trading - measured at fair value	(243,957,525)	414,601,763
Operating Profit Before Working Capital Changes	431,989,731	1,017,193,968
Changes in Working Capital		
(Increase)/ Decrease in Financial assets recognised through profit or loss/ held for trading - measured at fair value	(14,958,490,899)	(6,030,738,563)
(Increase)/ Decrease in Financial assets - measured at amortised cost	-	(44,083,392)
(Increase)/Decrease in Securities purchased under Resale Agreements	(1,150,649,750)	479,359,869
(Increase)/Decrease in Other Assets	(21,505,295)	(335,339)
Increase/(Decrease) in Other Liabilities	(43,218,841)	(959,010,934)
Increase/(Decrease) in Securities sold under Repurchase Agreements	15,275,328,407	8,253,754,641
	(466,546,647)	2,716,140,250
Lease Interest Paid on Right-of-use assets	(1,396,012)	(382,584)
Income Tax Paid	(474,016,729)	(1,737,239,397)
Gratuity Paid	(1,112,000)	-
Net Cash Inflow / (Outflow) from Operating Activities	(943,071,388)	978,518,269
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(9,783,653)	(11,825,366)
Proceeds from disposal of Property, Plant & Equipment	711,500	-
Net Cash Inflow / (Outflow) from Investing Activities	(9,072,153)	(11,825,366)
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Infusion	-	-
Lease Principal Paid on Right-of-use assets	(2,017,413)	(2,847,868)
Dividends Paid	-	-
Net Cash Inflow / (Outflow) from Financing Activities	(2,017,413)	(2,847,868)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(954,160,956)	963,845,033
Cash and Cash Equivalents at the beginning of the period	(591,169,686)	(1,449,863,655)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (Note A)	(1,545,330,642)	(486,018,622)
Note A:		
Analysis of Cash and Cash equivalents at the end of the period		
Cash at Banks (Favourable balances)	1,182,181	1,486,675
Cash at Banks (Overdrawn balances)	(1,546,542,823)	(487,535,297)
Cash in Hand (Petty Cash Float)	30,000	30,000
	(1,545,330,642)	(486,018,622)

Figures in brackets indicate deductions.

▶ ANNEXURE 3 – INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2025

WEALTHTRUST SECURITIES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the period ended 30-Sep-25

1 Basis of Preparation

These condensed financial statements have been prepared in accordance with LKAS 34 "Interim Financial Reporting". They do not include all the information required for a complete set of SLFRS/LKAS financial statements. However, selected explanatory notes are included to explain the events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements as at and for the year ended 31-Mar-2025.

The same accounting policies as in the last annual audited financial statements for the year ended 31-Mar-2025, have been followed in the preparation of these financial statements.

	QUARTER ENDED		SIX MONTHS ENDED	
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	Rs.	Rs.	Rs.	Rs.
2 Interest Income				
Financial assets recognised through profit or loss / held for trading - measured at fair value				
Securities Income on Government Securities	966,380,737	785,129,672	1,699,428,310	1,529,692,418
Securities Income on Fixed Deposits	-	991,927	-	1,918,015
Financial Assets measured at Amortised cost				
Reverse Repo Interest Income	118,026,736	79,262,348	177,112,101	160,631,341
	<u>1,084,407,473</u>	<u>865,383,948</u>	<u>1,876,540,410</u>	<u>1,692,241,774</u>
3 Interest Expenses				
Repo Interest Expenses	<u>713,356,106</u>	<u>511,449,379</u>	<u>1,200,741,136</u>	<u>954,798,234</u>
4 Net gains/(losses) from financial assets recognised through profit or loss/ held for trading - measured at fair value				
Net gains/(losses) from Government Securities trading	(45,491,394)	54,581,866	120,909,803	589,759,352
Net gains/(losses) from Dex Securities trading	-	-	-	-
Net fair value gains / (losses) from valuation of Government Securities	58,276,778	(31,769,795)	249,214,238	(400,146,348)
Net fair value gains / (losses) from valuation of Derivative Financial Instruments	(21,531,403)	(19,001,049)	(5,256,713)	(14,455,415)
Net fair value gains / (losses) from valuation of Dex Securities	-	-	-	-
	<u>(8,746,019)</u>	<u>3,811,022</u>	<u>364,867,328</u>	<u>175,157,589</u>
5 Other Income				
Profit/ (Loss) on sale of Fixed Assets	655,000	-	711,500	-
Auction Processing fees	125,000	2,595,000	910,000	3,585,000
Miscellaneous Income	432	1,943	1,277	4,319
	<u>780,432</u>	<u>2,596,943</u>	<u>1,622,777</u>	<u>3,589,319</u>
6 Other Operating Expenses				
Value Added Tax on Financial Services	49,083,365	36,425,844	91,177,965	68,743,475
Social Security Contribution Levy on Financial Services	6,817,134	5,059,145	12,663,606	9,547,705
	<u>55,900,499</u>	<u>41,484,989</u>	<u>103,841,571</u>	<u>78,291,180</u>
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	Rs.	Rs.	Rs.	Rs.
7 Income Tax Expense				
Recognised in profit or loss				
Current Tax Expense for the period	74,519,017	73,524,789	226,102,766	197,139,725
Deferred Tax Charge/ (Reversal) for the period	-	-	-	-
	<u>74,519,017</u>	<u>73,524,789</u>	<u>226,102,766</u>	<u>197,139,725</u>
8 Earnings/ (Loss) Per Ordinary Share				
Earnings per share has been calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period and calculated as follows.				
	30-Sep-25	30-Sep-24	30-Sep-25	30-Sep-24
	Rs.	Rs.	Rs.	Rs.
Profit attributable to ordinary shareholders - (Rs.)	122,095,050	132,810,074	437,120,850	394,772,192
Weighted average number of ordinary shares *	1,153,504,695	1,153,504,695	1,153,504,695	1,153,504,695
Earnings/ (Loss) Per Ordinary Share - (Rs.)	0.10	0.11	0.37	0.34
(* adjusted for subdivision of shares 1:35 on 29th September 2025)				

9 The number of shares represented by stated capital as at 30th September 2025 is 1,153,504,695 shares (31st March 2025 - 32,957,277 shares).



10 Financial instruments- Fair Value Measurement

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements in accordance with SLFRS 13.

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.

Fair values versus the Carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

	30-Sep-25 Rs.	31-Mar-25 Rs.
Financial assets measured at fair value		
Derivative Financial Instruments	835,050	5,917,613
Financial assets recognised through profit or loss/ held for trading - measured at fair value	36,763,503,093	21,555,797,956
	<u>36,764,338,143</u>	<u>21,561,715,569</u>
Financial assets not measured at fair value		
Cash and Cash Equivalents	1,212,181	5,219,125
Securities purchased under Resale Agreements	2,345,532,412	1,194,882,662
	<u>2,346,744,593</u>	<u>1,200,101,787</u>
Total financial assets	<u>39,111,082,736</u>	<u>22,761,817,356</u>
Financial liabilities measured at fair value		
Derivative Financial Instruments	174,150	-
	<u>174,150</u>	<u>-</u>
Financial liabilities not measured at fair value		
Securities sold under Repurchase Agreements	30,923,504,048	15,648,175,642
Bank Overdraft	1,546,542,823	596,388,811
	<u>32,470,046,871</u>	<u>16,244,564,452</u>
Total financial liabilities	<u>32,470,221,021</u>	<u>16,244,564,452</u>

The following tables show an analysis of financial instruments at fair value and by level of fair value hierarchy.

As at 30-Sep-25	Total Carrying Value (Rs.)	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total Fair Value (Rs.)
Financial assets measured at fair value					
Derivative Financial Instruments					
Forward sale contracts	-	-	-	-	-
Forward purchase contracts	835,050	835,050	-	-	835,050
	<u>835,050</u>	<u>835,050</u>	<u>-</u>	<u>-</u>	<u>835,050</u>
Financial assets recognised through profit or loss/ held for trading - measured at fair value					
Investment in government securities	36,763,503,093	36,763,503,093	-	-	36,763,503,093
	<u>36,763,503,093</u>	<u>36,763,503,093</u>	<u>-</u>	<u>-</u>	<u>36,763,503,093</u>
	<u>36,764,338,143</u>	<u>36,764,338,143</u>	<u>-</u>	<u>-</u>	<u>36,764,338,143</u>
Financial assets not measured at fair value					
Cash and Cash Equivalents	1,212,181	-	-	1,212,181	1,212,181
Securities purchased under Resale Agreements	2,345,532,412	-	-	2,345,532,412	2,345,532,412
	<u>2,346,744,593</u>	<u>-</u>	<u>-</u>	<u>2,346,744,593</u>	<u>2,346,744,593</u>
Total financial assets	<u>39,111,082,736</u>	<u>36,764,338,143</u>	<u>-</u>	<u>2,346,744,593</u>	<u>39,111,082,736</u>
Financial liabilities measured at fair value					
Derivative Financial Instruments					
Forward sale contracts	174,150	174,150.00	-	-	174,150
Forward purchase contracts	-	-	-	-	-
	<u>174,150</u>	<u>174,150.00</u>	<u>-</u>	<u>-</u>	<u>174,150.00</u>
Financial liabilities not measured at fair value					
Securities sold under Repurchase Agreements	30,923,504,048	-	-	30,923,504,048	30,923,504,048
Bank Overdraft	1,546,542,823	-	-	1,546,542,823	1,546,542,823
	<u>32,470,046,871</u>	<u>-</u>	<u>-</u>	<u>32,470,046,871</u>	<u>32,470,046,871</u>
Total financial liabilities	<u>32,470,221,021</u>	<u>174,150</u>	<u>-</u>	<u>32,470,046,871</u>	<u>32,470,221,021</u>



▶ ANNEXURE 3 – INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2025

As at 31-Mar-25	Total Carrying Value (Rs.)	Level 1 (Rs.)	Level 2 (Rs.)	Level 3 (Rs.)	Total Fair Value (Rs.)
Financial assets measured at fair value					
Derivative Financial Instruments					
Forward sale contracts	5,050,911	5,050,911	-	-	5,050,911
Forward purchase contracts	866,702	866,702	-	-	866,702
	<u>5,917,613</u>	<u>5,917,613</u>	<u>-</u>	<u>-</u>	<u>5,917,613</u>
Financial assets recognised through profit or loss/ held for trading - measured at fair value					
Investment in government securities	21,555,797,956	21,555,797,956	-	-	21,555,797,956
	<u>21,555,797,956</u>	<u>21,555,797,956</u>	<u>-</u>	<u>-</u>	<u>21,555,797,956</u>
	<u>21,561,715,569</u>	<u>21,561,715,569</u>	<u>-</u>	<u>-</u>	<u>21,561,715,569</u>
Financial assets not measured at fair value					
Cash and Cash Equivalents	5,219,125	-	-	5,219,125	5,219,125
Securities purchased under Resale Agreements	1,194,882,662	-	-	1,194,882,662	1,194,882,662
	<u>1,200,101,787</u>	<u>-</u>	<u>-</u>	<u>1,200,101,787</u>	<u>1,200,101,787</u>
Total financial assets	<u>22,761,817,356</u>	<u>21,561,715,569</u>	<u>-</u>	<u>1,200,101,787</u>	<u>22,761,817,356</u>
Financial liabilities measured at fair value					
Derivative Financial Instruments					
Forward sale contracts	-	-	-	-	-
Forward purchase contracts	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value					
Securities sold under Repurchase Agreements	15,648,175,642	-	-	15,648,175,642	15,648,175,642
Bank Overdraft	596,388,811	-	-	596,388,811	596,388,811
	<u>16,244,564,452</u>	<u>-</u>	<u>-</u>	<u>16,244,564,452</u>	<u>16,244,564,452</u>
Total financial liabilities	<u>16,244,564,452</u>	<u>-</u>	<u>-</u>	<u>16,244,564,452</u>	<u>16,244,564,452</u>

	30-Sep-25 Rs.	31-Mar-25 Rs.
11 Net Assets per Ordinary Share - (Rs.)	5.42	5.04

12 Market Price per Share

Market value is not available since the shares of the Company are not publicly traded.

13 The above are unaudited financial statements unless indicated as audited. The presentation and classification of figures for the corresponding period of the previous year have been reclassified to be comparable with those of the current year where necessary.

14 There have been no significant changes in the nature of the contingent liabilities, which were disclosed in the last annual audited financial statements for the year ended 31st March 2025.

15 There have been no material events subsequent to the reporting date that require disclosures/adjustments to these financial statements.



▶ ANNEXURE 4 – RESEARCH REPORT



Research Report

to The Board of Directors and Shareholders of WealthTrust Securities Limited on the Proposed IPO

Prepared by



Asia Securities Advisors (Pvt) Limited

4th Floor, 'Lee Hedges Tower',
349 Colombo - Galle Main Rd,
Colombo 03

We, Asia Securities Advisors (Private) Limited ("ASA"), bearing corporate finance License No. 2025/CFA/05 issued by the SEC, hereby declare that we possess the requisite expertise to perform reports of this nature involving a quoted company wherein, we expect the company to be classified under the GICS Industry Group: Investment Banking & Brokerage.

We further declare that the Research Report has been prepared in conformity with the disclosures stated in the 'Guidance Note' issued by the CSE, pertaining to the preparation of a Valuation/Research report.

Report Date: 06 November 2025

Valuation Date: 30 Sep 2025

▶ ANNEXURE 4 – RESEARCH REPORT

The Board of Directors,
WealthTrust Securities Limited,
102/1, Dr. N M Perera Mawatha,
Colombo 8
Sri Lanka.

Dear Sir/Madam,

**Research Report on Ordinary Voting Shares to the Board of Directors and Shareholders of
WealthTrust Securities Limited on the proposed Initial Public Offering**

We, Asia Securities Advisors (Pvt) Limited, in the capacity of Manager and Financial Advisor to the Initial Public Offering (IPO) of WealthTrust Securities Limited (hereinafter referred to as “Manager to the Issue”), wish to submit the enclosed Research Report in accordance with Section 3.1.4 (c) of the Listing Rules of the Colombo Stock Exchange.

Please find enclosed herewith the detailed Research Report for your reference.

Thank you,
Yours faithfully,

ASIA SECURITIES ADVISORS (PVT) LTD

Sgd

Dumith Fernando
Director

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▶ ANNEXURE 4 – RESEARCH REPORT

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GLOSSARY OF TERMS AND ABBREVIATIONS

Table 1.1 Terms and Abbreviations

%	Percentage
ASA	Asia Securities Advisors (Pvt) Ltd
Bn	Billions
Board, Board of Directors, Directors	The Board of Directors of WealthTrust Securities Limited
c.	Circa
CAGR	Compound Annual Growth Rate
CBSL	Central Bank of Sri Lanka
Company	WealthTrust Securities Limited (WTS)
CSE	Colombo Stock Exchange
DPS	Dividend Per Share
DSNBFI	Department of Supervision of Non-Bank Financial Institutions
EBIT	Earnings Before Interest and Tax
EBITDA	Earnings Before Interest Tax Depreciation and Amortization
EPS	Earnings Per Share
FY	Financial Year
IPO	Initial Public Offering
LKR	Sri Lankan Rupees
LTBO	Local Treasury Bills Ordinance
Mn	Millions
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
No.	Number
Ordinary Shares, Ordinary Voting Shares, Shares, Issued and Paid-up Ordinary Shares	Ordinary shares of the Company, with the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in dividends paid by the Company and the right to an equal share in the distribution of the surplus assets of the Company in liquidation.
P/BV	Price to Book Value Ratio
P/E	Price to Earnings Ratio

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PAT	Profit After Tax
PD	Primary Dealer - Refers to all institutions authorized by the Central Bank to function as primary dealers, including both licensed commercial banks and standalone primary dealer companies
PDC	Primary Dealer Companies – Refers to only standalone primary dealers and does not include the licensed commercial banks
ROA	Return on Assets
ROE	Return on Equity
RWCAR	Risk Weighted Capital Adequacy Ratio
SEC	Securities and Exchange Commission of Sri Lanka
VAT	Value Added Tax
VWAP	Volume Weighted Average Price
WTS	WealthTrust Securities Limited
YE	Year Ended
YoY	Year on Year

RATIOS AND FORMULA TABLE

Table 1.2 Ratios & Formulae

Debt to Equity	Interest bearing Liabilities divided by Total Equity
Dividend Payout	Total Dividends paid divided by Net Income (Profit after tax)
Net Income Margin	Net Income (Profit after Tax) divided by Total Income
Net Interest Margin (NIM)	Net Interest Income divided by Average Interest Earning Assets
Return on Assets (ROA)	Net Income (Profit after Tax) divided by Average Total Assets
Return on Equity (ROE)*	Net Income (Profit after Tax) divided by Average Total Equity
Risk Weighted Capital Adequacy Ratio (RWCAR)	The percentage of a primary dealer's capital relative to its risk-weighted assets calculated as the total regulatory capital (Tier 1 + Tier 2) divided by the risk-weighted assets
Total Income	Total Interest Income plus realized and unrealized (mark-to-market) gains or losses on the sale/remeasurement of financial assets
Volume Weighted Average Price (VWAP)	The average price of a security over a period, weighted by the volume of shares at each price level

*ROE has been calculated based on the industry practice of using Average Total Equity instead of Closing Equity as stipulated in the CSE listing rules. Hence, there is a difference between the ROEs stated in the research report and the ROEs stated in the prospectus.

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1.0 Introduction

1.1 Executive summary

ASA has utilized three valuation methods; a justified Price to Book (P/BV) multiple, a market Price to Book Ratio (P/BV) based Relative valuation method, and Dividend Discount Model to arrive at a value for WealthTrust Securities Limited (WTS). We have concluded that WTS's value per share is LKR 8.28 based on our primary valuation metric; the Justified Price to Book (P/BV) multiple.

We would also like to point out that the IPO offer price of LKR 7.00 has been priced at a 15.4% discount to our primary valuation based on Justified P/BV multiple of LKR 8.28. This IPO discount is provided to investors, to provide a potential upside on the investment.

Table 1.1 Summary of Valuations

Valuation Methodology		Value per Share (LKR)
Justified P/BV	Primary Methodology	8.28
Market Multiples	Secondary Methodology	8.30
Dividend Discount Model	Secondary Methodology	7.52
Average		8.03

Please refer to section 5 for detailed explanation on the valuation methodologies and section 6 for further details on the reason for the selection of our primary valuation methodology, valuation results and the assumptions used.

1.2 Background

WealthTrust Securities Limited (WTS), established in 2010 and commencing operations in 2011, is a stand-alone Primary Dealer authorized by the CBSL and licensed by the SEC to operate as a stockbroker and stock dealer for debt securities. The company operates as one of the key non-bank dealers in government securities and debt markets.

The Board of Directors of this company hope to publicly list its shares by way of an IPO to raise a total of LKR 500,837,708 at a 5.84% dilution and has appointed ASA as Manager and Financial Advisor to the issue. The funds will be utilized to enhance the core capital of the business. ASA has prepared this research report in its capacity as Manager and Financial Advisor to the issue to present the valuation of WTS to the board of directors and shareholders.

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2.0 Industry overview

2.1 Overview of Primary Dealer industry & players

The Primary Dealer (PD) industry in Sri Lanka, plays a central role in the government securities market by acting as market makers and trading in the secondary market of government securities (Treasury bills and bonds). PDs participate in primary auctions conducted by the Central Bank of Sri Lanka (CBSL) and act as intermediaries in the secondary market. Clients of PDs gain access to auctions through their dealer and can subsequently trade securities in the open market.

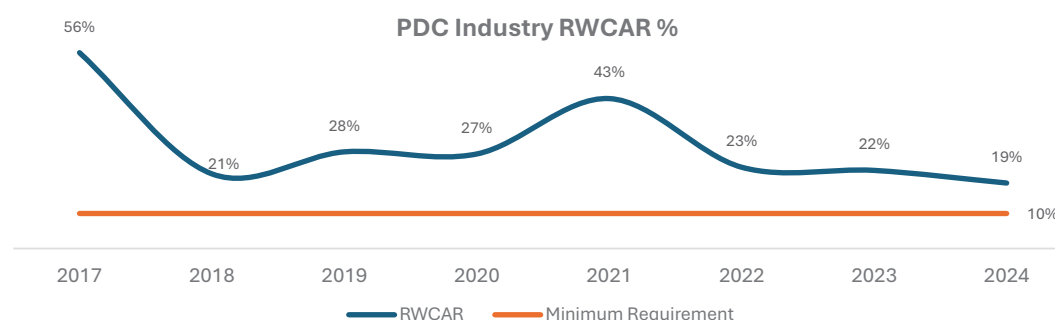
There are two categories of authorized PDs:

1. Licensed Commercial Banks (LCBs)
2. Standalone Primary Dealer Companies (PDCs)

LCBs are supervised by the Bank Supervision Department of the CBSL, while PDCs fall under the Department of Supervision of Non-Bank Financial Institutions. The supervision of PDs is carried out to ensure an efficient, sound and safe primary dealer system, to promote the stability of the government securities market and to safeguard the interests of investors.

The Central Bank is empowered to regulate and supervise PDs, which entails the appointment of Authorized PDs, issuing of prudential directions and determinations under the laws, examinations and continuous surveillance of PDs, enforcement of regulatory actions and suspension and cancellation of the appointment of PDs for non-compliance with the law.¹

To strengthen financial resilience, the CBSL revised capital requirements in July 2021, mandating standalone PDCs to maintain a minimum core capital of LKR 2.0 Bn from 01 January 2022, increasing to LKR 2.5 Bn from 01 January 2023.² As per the latest directive issued in September 2025, this requirement will remain at LKR 2.5 Bn until 31 December 2025, after which the minimum core capital will increase to LKR 4.0 Bn from 01 January 2026 and to LKR 5.0 Bn from 01 January 2027 onwards.³ In parallel, PDCs are also required to maintain a minimum Risk-Weighted Capital Adequacy Ratio (RWCAR) of 10%, as stipulated under CBSL Direction No. 2 of 2015.⁴ Most PDCs currently operate well-above these thresholds, reflecting robust capitalization relative to regulatory standards.



Source: CBSL Annual Reports [2017-2022] & CBSL Annual Economic Reviews [2023-2024]

¹ [CBSL - Primary Dealers](#)

² [Local Stock Treasury Bills Ordinance & Registered Stock and Securities Ordinance Directions - No. 1 of 2021](#)

³ [Local Stock Treasury Bills Ordinance & Registered Stock and Securities Ordinance Directions - No. 1 of 2025](#)

⁴ [Primary Dealer Companies \(Risk Weighted Capital Adequacy Ratio Amendment\) Direction No. 2 of 2015](#)

As of August 15th, 2025, a total of 13 entities were authorized as primary dealers, of which 10 were actively operating in the market ⁵:

LCBs with Primary Dealer Units	Standalone Primary Dealers Companies
Bank of Ceylon	WealthTrust Securities Ltd
Commercial Bank of Ceylon PLC	First Capital Treasuries PLC
People's Bank	Capital Alliance PLC
Sampath Bank PLC	NSB Fund Management Company Limited
Seylan Bank PLC	HNB Securities Limited

The remaining three PDs were either restricted from primary market operations or suspended from carrying on the business activities of a primary dealer, by the regulatory authorities. ⁶

2.2 Yield rates & bond price relationship

Falling Interest Rate Environment

When interest rates fall, the market value of bonds (price) rises and vice versa, creating mark-to-market gains for PDs in the short run (all other factors remaining constant). This environment usually encourages more trading activity as investors search for yield. However, the spread between borrowing costs and investment returns may tighten, moderating profits thereafter. PDs often benefit by extending duration, realizing gains on appreciated securities, and being more active in market-making to capture trading opportunities.

Stable Interest Rate Environment

In a stable interest rate environment, bond prices tend to remain steady with limited volatility (all other factors remaining constant). For PDs, the main source of income comes from the interest earned on their bond holdings, while trading profits are relatively modest. Profitability in this setting relies on efficient liquidity management, careful portfolio allocation, allowing PDs to maintain consistent but less aggressive returns.

Rising Interest Rate Environment

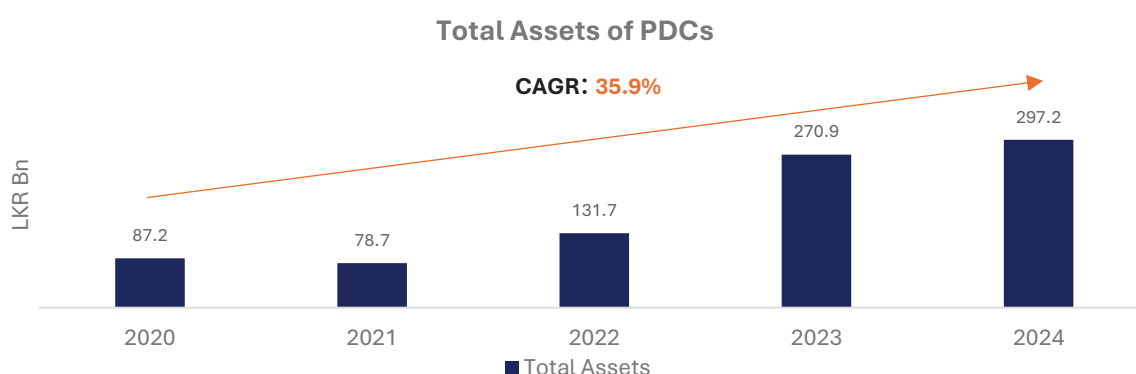
When interest rates rise, the prices of existing bonds fall, leading to mark-to-market losses in the short run and higher funding costs for PDs (all other factors remaining constant). Although spreads on new issues may widen, overall profitability is typically under pressure as portfolio values decline. In such conditions, PDs often scale back portfolio holdings and shorten the maturity of investments to reduce exposure and manage risk.

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2.3 Primary Dealer Companies' industry performance in 2024

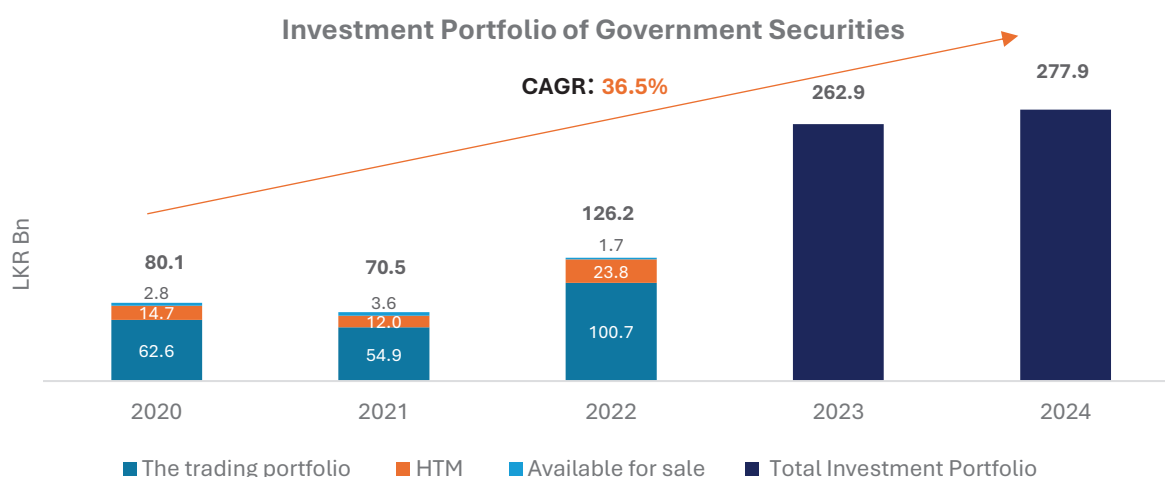
The PDC industry in Sri Lanka navigated a year of adjustment in 2024, following the extraordinary gains recorded during the high-rate environment of 2022–23. As interest rates trended downward, trading opportunities in government securities moderated, leading to a visible contraction in profitability across most dealers in 2025⁷.

The total assets of PDCs grew by 9.7%, reaching LKR 297.2 Bn in 2024, up from LKR 270.9 Bn in 2023⁸. Over the last 5 years, total assets of PDCs have grown at a CAGR of 36% to 297.2Bn at the end of 2024. This represented the largest asset base recorded over the last 5 years, highlighting sustained growth and ongoing expansion in the financial strength of PDCs.



Source: CBSL Annual Reports [2020-2022] & CBSL Annual Economic Reviews [2023-2024]

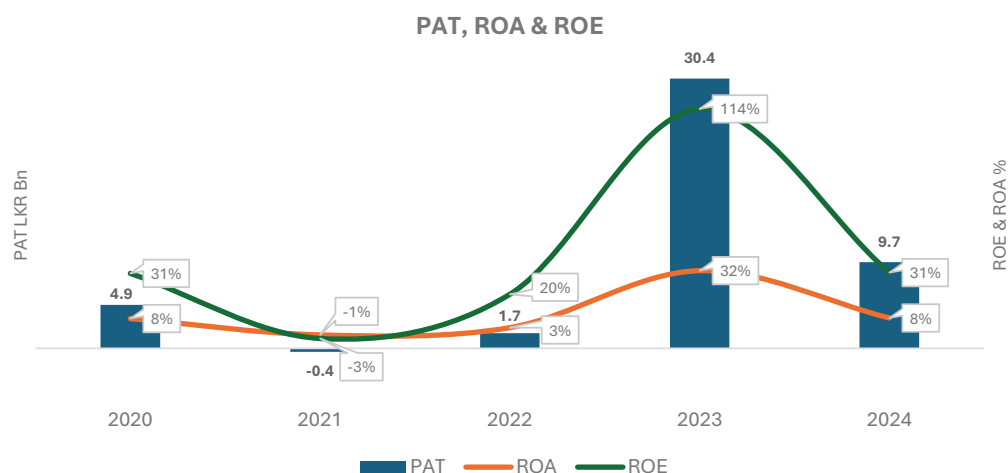
By the end of 2024, PDCs held a total investment portfolio in government securities of LKR 277.9 Bn, reflecting a 5.7% year-on-year increase from LKR 262.9 Bn in 2023⁸. Over the past 5 years, the investment portfolios grew by a CAGR of 37% from LKR 80.1Bn in 2020⁹, to LKR 277.9 Bn in 2024.



Source: CBSL Annual Reports [2020-2022] & CBSL Annual Economic Reviews [2023-2024]

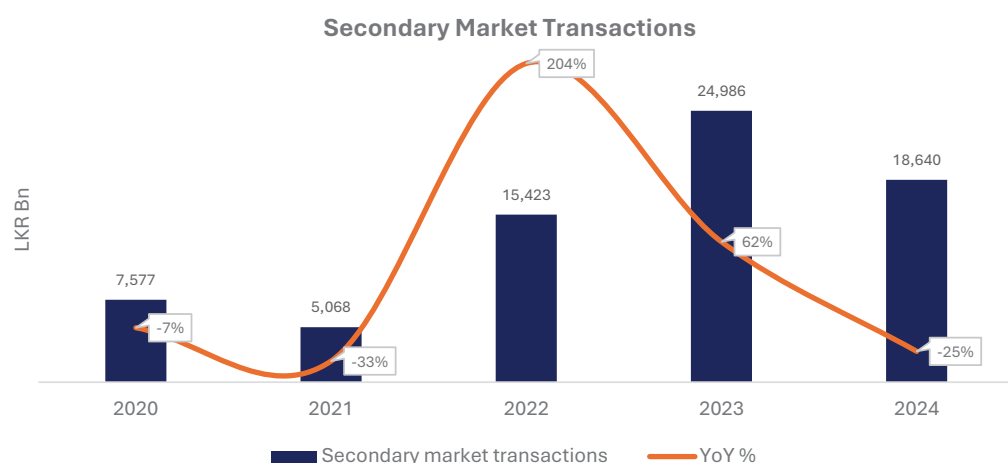
The CBSL Annual Reviews for 2023 and 2024 do not provide a breakdown of the investment portfolio of PDCs by category.

However, despite the growth in assets and investment portfolio, PDCs experienced a significant fall in profitability, with Profit After Tax (PAT) declining to LKR 9.7 Bn in 2024, down from LKR 30.4 Bn in 2023. The CBSL indicated that the decline in profitability was mainly attributable to lower interest income and capital gains, coupled with higher revaluation losses on financial assets held for trading. As a result, the return on assets (ROA) and return on equity (ROE) of PDCs fell to 7.9% and 30.9%, respectively, by the end of 2024, down from 31.9% and 113.9% in 2023.



Source: CBSL Annual Reports [2020-2022] & CBSL Annual Economic Reviews [2023-2024]

The participation of PDCs in primary auctions for Treasury bills and bonds displayed a mixed performance in 2024. Activity in the secondary market for government securities declined by 25.4%, falling to LKR 18,639.9 Bn, with repurchase agreements (repos) representing 72.9% of the total. Over the same period, outright purchases and sales dropped by 28.8% and 11.3%, respectively, compared to 2023.¹⁰



Source: CBSL Annual Reports [2020-2022] & CBSL Annual Economic Reviews [2023-2024]

¹⁰ CBSL Annual Economic Review 2024 – accessed on November 3rd, 2025

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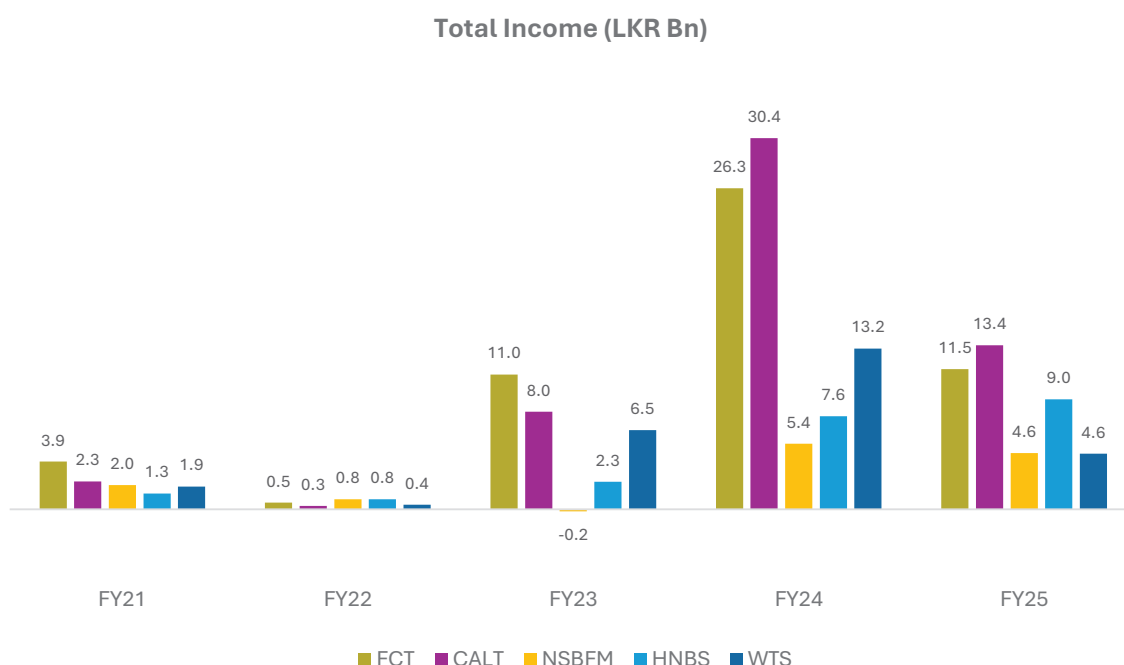
2.4 Competitor Analysis

Based on the publicly available market information, ASA has taken into consideration PDCs which carry out similar business operations as WTS, namely Capital Alliance PLC (CALT), First Capital Treasuries PLC (FCT), HNB Securities Limited (HNBS) and NSB Fund Management Company Limited (NSBFM), to perform a competitor analysis of the industry.

It is important to note that CALT, FCT and WTS are 31st March year ending entities while HNBS and NSBFM are 31st December year ending entities. Hence, for comparison purposes within this report, for the 31st December year ending entities, we have represented their respective performance within the following 31st March financial year. (e.g. 31st December 2024 year ended financials have been presented as FY2025).

2.4.1 Total Income

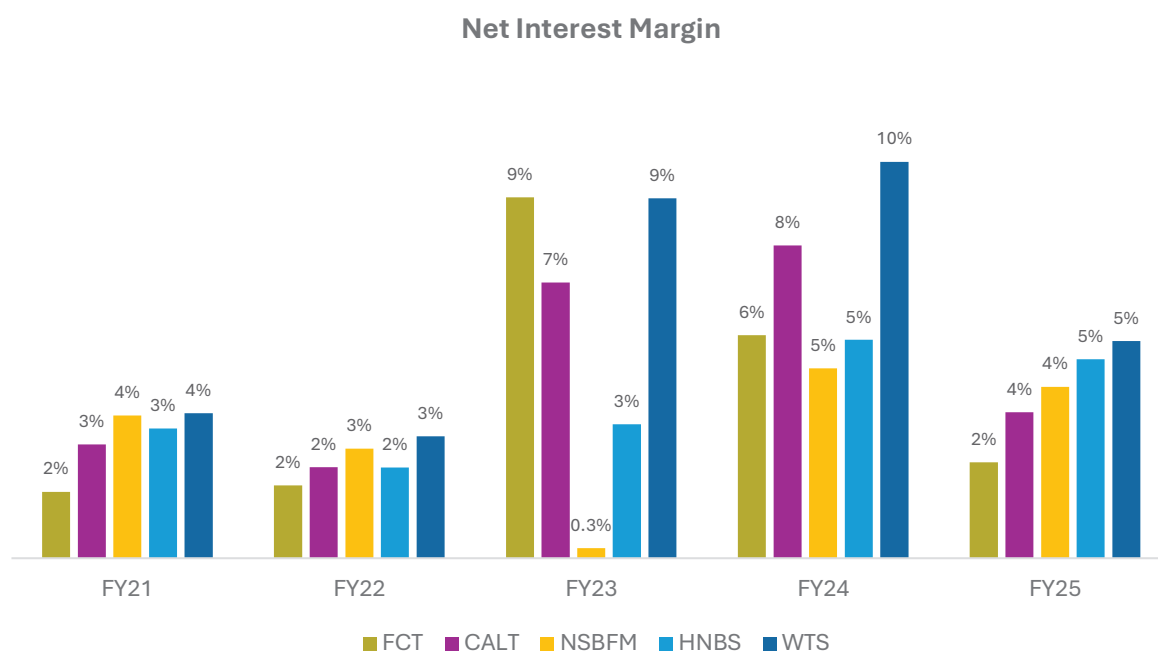
PDC income, comprising of interest income and trading gains/losses, fell sharply in FY2022 amid rising policy rates, heightened liquidity risk, and adverse macroeconomic conditions. The sector rebounded in FY2023, led by FCT at c. LKR 11 Bn, CALT at LKR 8.0 Bn, and WTS at c. LKR 6.5 Bn, with HNBS showing growth, supported by higher interest income due to surge in interest rates and a relatively higher volatility in interest rates. However, NSBFM recorded c. LKR 0.2 Bn loss due to significant trading losses incurred in FY2023. Income increased further across the PDCs in FY2024 on the back of falling interest rates. By FY2025, income normalized as interest rates began to stabilize and monetary easing gathered pace, with CALT maintaining the lead at c. LKR 13.4 Bn, followed by FCT at c. LKR 11.5 Bn, while HNBS grew to c. LKR 9.0 Bn and both NSB and WTS declined to c. LKR 4.6 Bn.



Source: FCT, CALT & NSB Fund Management – Annual Reports, HNB Securities- Published Financial Statements, WTS – Audited Financial Statements. (NSBFM and HNBS represent financial years ending 31st December)

2.4.2 Net Interest Margin (NIM)

From FY2021 to FY2022, PDCs saw only a marginal decrease in NIMs, with values remaining in a relatively stable range of 1.8% (FCT) to 3.1% (WTS), reflecting steady interest income. In FY2023, as interest rates and yields significantly increased, dealers increased their investment portfolios (refer section 2.4.4), driving NIMs sharply higher—FCT surged to 9.1% and WTS to 9.0%, indicating strong profitability from core operations and favorable spreads on high-yielding assets. In FY2024 with rates declining and funding costs improving, NIMs further improved for most PDCs. Subsequently in FY2025 with rates stabilizing, margins moderated across most dealers due to disposal of high yield government securities and booking trading gains. Overall, NIM fluctuations reflect both interest rate trends and the dealers' ability to optimize asset yields while managing funding costs.

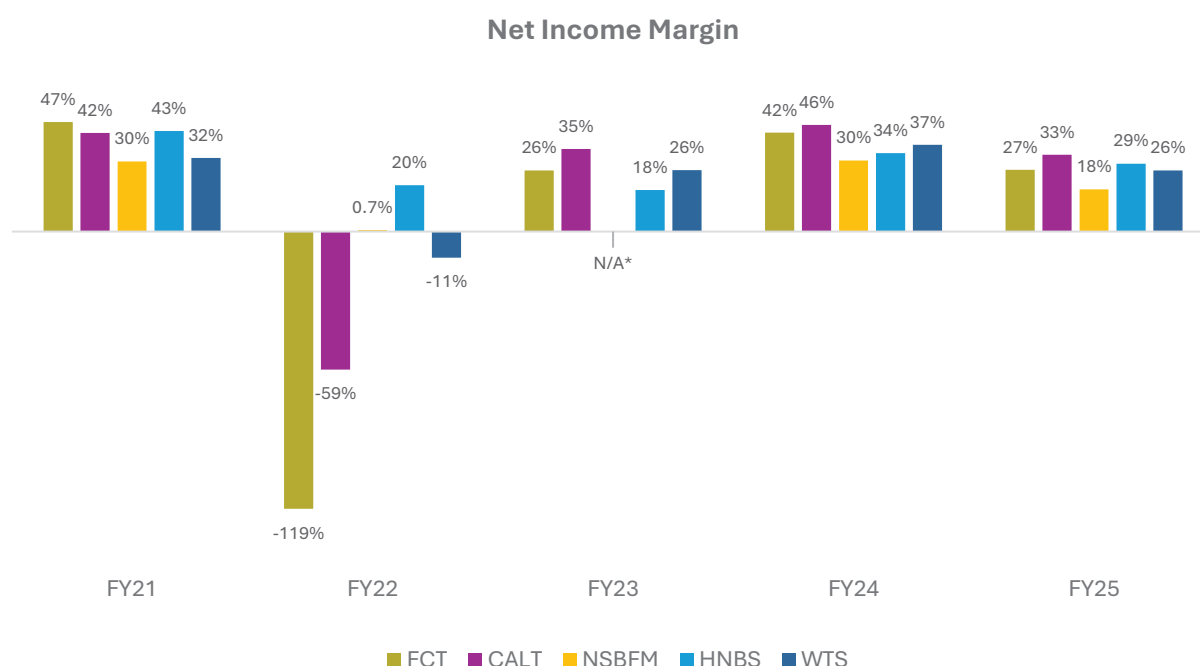


Source: FCT, CALT & NSB Fund Management – Annual Reports, HNB Securities- Published Financial Statements, WTS – Audited Financial Statements. (NSBFM and HNBS represent financial years ending 31st December)

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2.4.3 Net Income Margin

Net income margins across PDCs were volatile in line with shifting interest rates and, with FY2022 marking the weakest year as several players posted losses due to sudden interest rate hikes and liquidity pressures. Margins rebounded in FY2023 for FCT (26%), CALT (35%), HNBS (18%) and WTS (26%). The recovery broadened in FY2024 as interest income and trading gains improved, resulting in margins strengthening across the board, before moderating in FY2025 as yields stabilized.

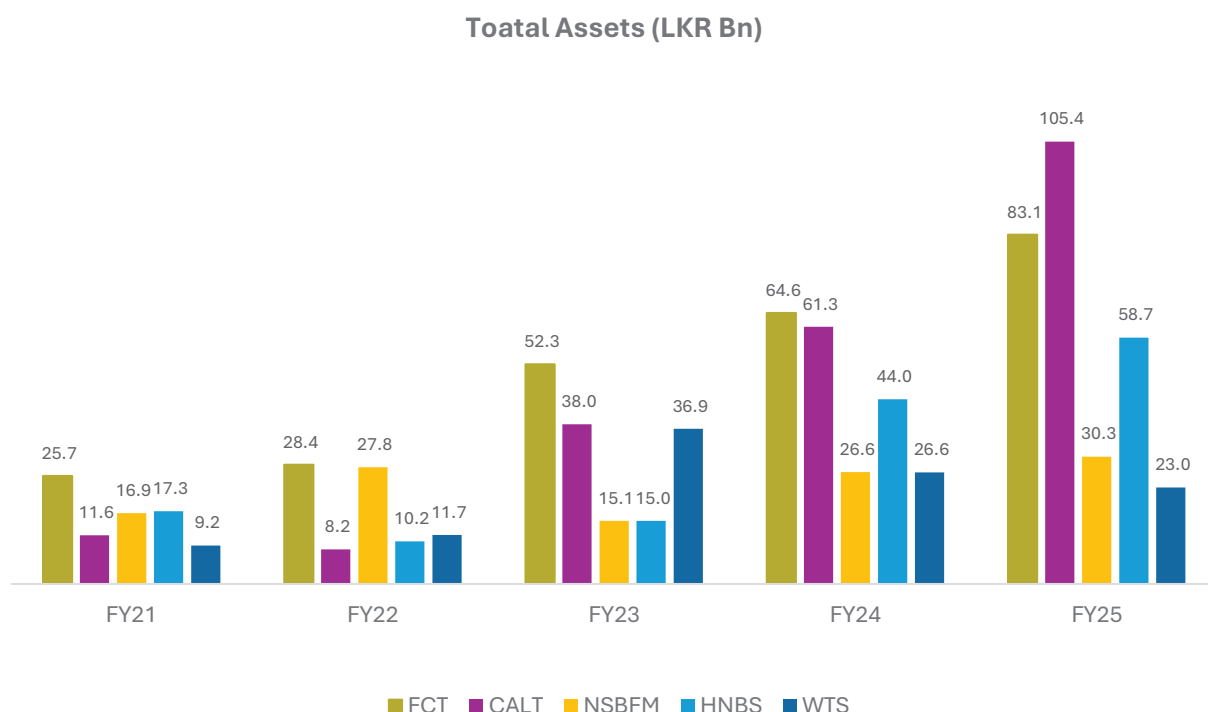


**NSB Fund Management made a net loss on financial instruments amounting to LKR 2.5 Bn, which resulted in negative total income. Hence, the net income margin is not applicable for the period.*

Source: FCT, CALT & NSB Fund Management – Annual Reports, HNB Securities- Published Financial Statements, WTS – Audited Financial Statements. (NSBFM and HNBS represent financial years ending 31st December)

2.4.4 Total Assets

FCT and CALT have maintained the largest asset base over most years, recording strong CAGRs of 34% and 74% over 5 years respectively, reflecting their aggressive balance sheet expansion. WTS followed with a CAGR of 26%, while NSBFM and HNBS grew at 16% and 36% over the same period. These trends underscore how PDCs manage their asset bases in response to rate and yield dynamics, contracting holdings during periods of heightened volatility to minimize mark-to-market risk, while expanding in stable or easing rate environments to capture trading gains and enhance interest income.



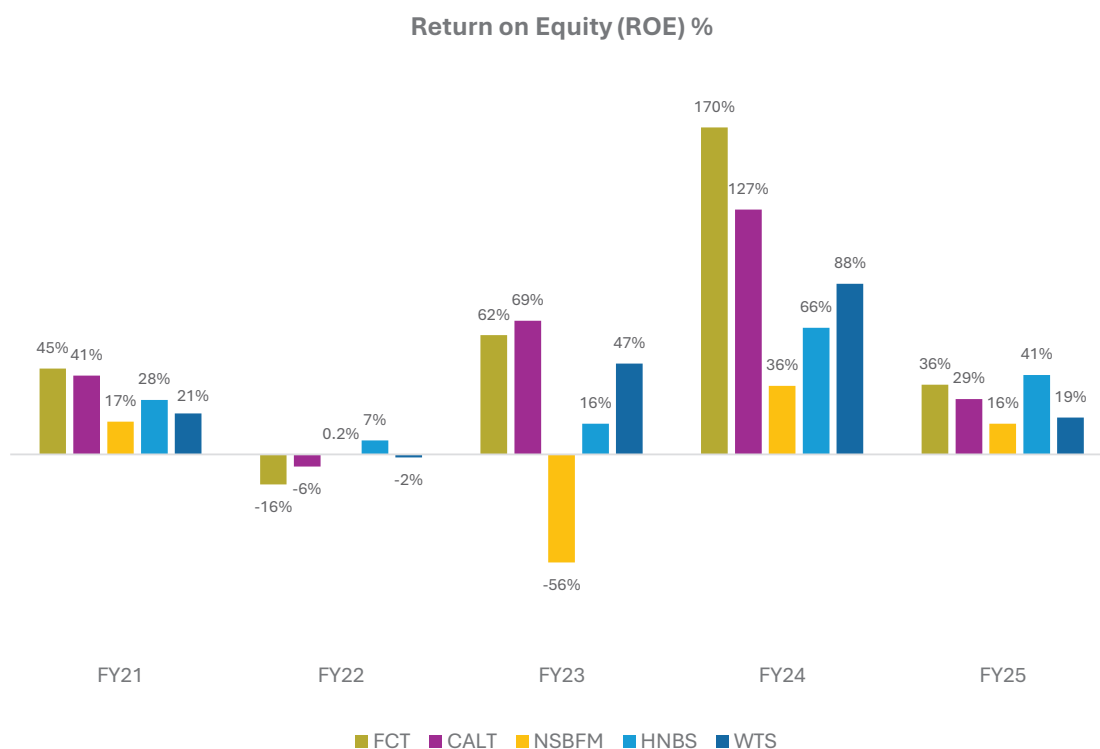
Source: FCT, CALT & NSB Fund Management – Annual Reports, HNB Securities- Published Financial Statements, WTS – Audited Financial Statements. (NSBFM and HNBS represent financial years ending 31st December)

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2.4.5 Return on Equity (ROE)

In FY2021, PDCs delivered healthy returns, with FCT (45%) and CALT (41%) leading, supported by favorable trading opportunities in a declining rate environment, while WTS (21%), HNBS (28%), and NSBFM (17%) posted comparatively moderate ROEs. However, FY2022 marked a sharp deterioration across the sector due to rate hikes and liquidity pressures, with FCT (-16%) and CALT (-6%) slipping into negative returns, while WTS (-2%) also dipped marginally. HNBS (7%) and NSBFM (0.2%) managed to remain slightly positive but at subdued levels, reflecting cautious positioning amid challenging market conditions. It is also important to note, as explained in Section 2.4, that HNBS and NSBFM are December year-end entities, unlike the listed peers and WTS which are March year-ending companies.

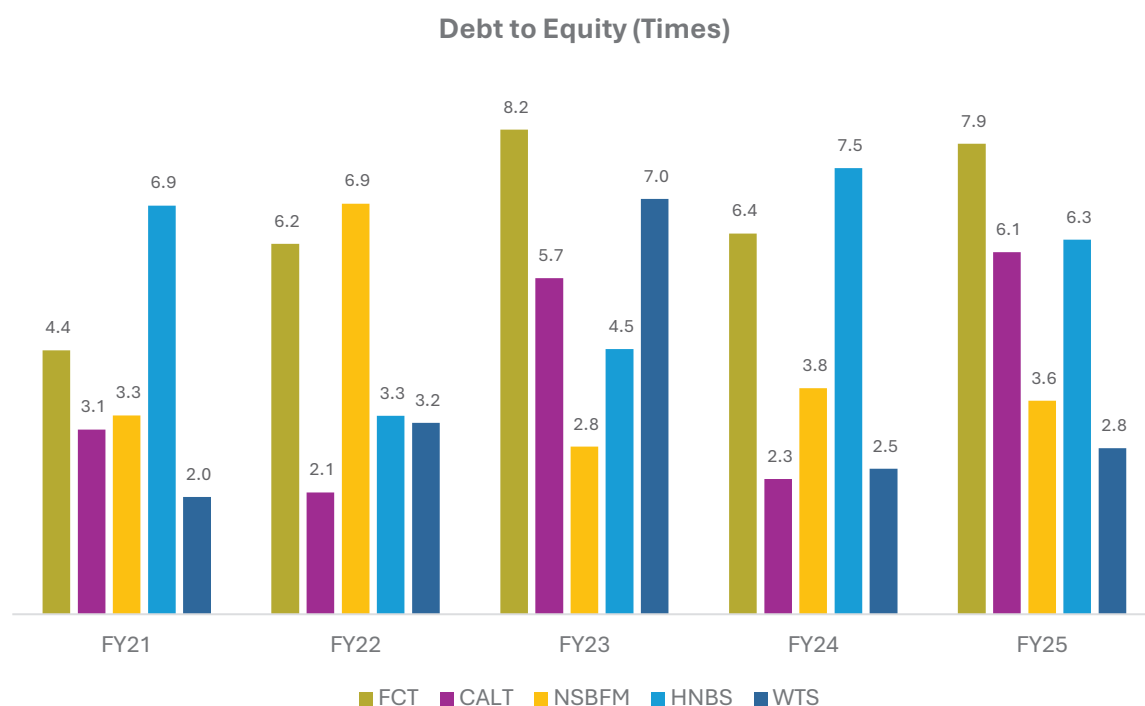
In FY2023, ROE saw substantial improvement among most players stemming from an increase in interest rates and high degree of interest rate volatility leading to high trading gains. ROEs further improved in FY2024 as a result of sharp decline in interest rates yielding high trading gains. FCT surged to 170% in FY2024 from 62% in FY2023, leading the group, followed by CALT at 127%, which increased from 69% in FY23. WTS showed strong improvement from 47% to 88%, and HNBS increased from 16% to 66%. NSBFM rebounded from a negative -56% in FY2023 to a positive 36% in FY2024. In FY2025, ROE declined notably for all as a result of a more stable interest rate environment compared to the previous two years, with FCT, CALT and NSBFM dropping to 36%, 29% and 16% respectively, WTS falling to 19%, while HNBS held relatively better ROE at 41%.



Source: FCT, CALT & NSB Fund Management – Annual Reports, HNB Securities- Published Financial Statements, WTS – Audited Financial Statements. (NSBFM and HNBS represent financial years ending 31st December)

2.4.6 Debt to Equity

The debt-to-equity ratios of PDCs fluctuated over FY2021–FY2025, reflecting shifts in leverage strategies in response to funding conditions and policy rate movements. FCT consistently operated with high leverage, peaking at 8.2x in FY2023 and remaining elevated at 7.9x in FY2025, while CALT also increased its reliance on debt, rising to 6.1x by FY2025. In contrast, NSBFM showed greater volatility, reaching 6.9x in FY2022 but moderating to 3.6x in FY2025, while HNBS averaged below 6x and WTS maintained more conservative leverage, averaging below 4x through most of the period. Overall, leverage patterns indicate that larger players like FCT and CALT expanded balance sheets more aggressively, whereas others adopted comparatively cautious debt management strategies. However, while this provides an overview of the general risk appetite of the PDCs, it should also be noted that the debt-to-equity ratios calculated and indicated here are as per year end balances.



Source: FCT, CALT & NSB Fund Management – Annual Reports, HNB Securities- Published Financial Statements, WTS – Audited Financial Statements. (NSBFM and HNBS represent financial years ending 31st December)

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3.0 Key Regulations

Given below are some of the key regulations applicable to PDCs as per Local Treasury Bills Ordinance (LTBO), No. 1 of 2009 or as amended, Registered Stocks and Securities Ordinance, No. 1 of 2009 or as amended, and directives issued by CBSL and Department of Supervision of Non-Bank Financial Institutions. While we have made best efforts along with management to outline the key regulations and conditions applicable to PDCs, this is not a comprehensive list of regulations and conditions.

3.1 Minimum Capital Requirement

In accordance with the latest CBSL regulations¹¹, all PDCs are required to maintain a minimum core capital of LKR 2.5 Bn until 31st December 2025, after which the minimum core capital will rise to LKR 4.0 Bn from 1 January 2026 and to LKR 5.0 Bn from 1 January 2027 onwards.

WTS maintained a Tier 1 capital base of LKR 5.8 Bn as at 31st March 2025 which is well over the stipulated minimum capital requirement and positions the company strongly to remain compliant even with the increased thresholds from 2026 onwards.

3.2 Special Risk Reserve (SRR)

All PDCs should maintain a Special Risk Reserve for safety, soundness and stability reasons for the company and the overall PD system while also strengthening the company's capital base. Accordingly, each PDC must transfer not less than 10% of its audited profit after tax for the financial year to this reserve¹¹.

Table 3.1: Historical SRR of WTS

LKR 000's	FY21	FY22	FY23	FY24	FY25
PAT	587,932	(43,146)	1,704,926	4,906,904	1,193,516
Transfer to SRR	58,793	-	170,493	490,690	119,352
As a % of PAT	10%	0%	10%	10%	10%
SRR Balance	493,514	493,514	664,007	1,154,697	1,274,048

Source: Audited Financial Statements.

3.3 Capital Adequacy Ratio (CAR)

The regulatory minimum Capital Adequacy Ratio (CAR) required for PDCs is 10%¹². WTS has maintained a healthy buffer over and above the minimum requirement.

Table 3.2: Historical CAR of WTS

%	FY21	FY22	FY23	FY24	FY25
CAR	55.8%	95.1%	15.1%	43.0%	37.9%

Source: Management Information.

¹¹ Local Stock Treasury Bills Ordinance & Registered Stock and Securities Ordinance Directions - No. 1 of 2025

¹² Primary Dealer Companies (Risk Weighted Capital Adequacy Ratio Amendment) Direction No.2 of 2015

3.4 Capital Assessment & Planning process

All PDCs should maintain a sound capital assessment process to ensure adequate buffers against material risks under both normal and stressed conditions. Each PDC must also prepare a Board-approved capital plan covering at least three years, addressing current and future capital needs in line with regulatory requirements, risk profile, business strategies, and potential uncertainties. Where a PDC maintains the core capital at a level below the amounts specified in section 3.1 above, as at the respective effective dates or at any time thereafter and if such shortfall persists for a period more than 3 months, the Company shall submit a time bound capital augmentation plan in line with the minimum core capital requirement and regulatory time frames.¹³

3.5 Distributions

All PDCs shall have the distribution policy approved by the Board of Directors. Prior to distributions being made, the details of such distributions shall be notified to Department of Supervision of Non-Bank Financial Institutions (DSNBFI), along with the Certificate of Solvency of the respective PDC obtained from the external auditors and prior written approval is required under the following circumstances:

- a) Accumulated distribution for the period which the distribution relates to exceeds the profit after tax for the said period, or the PDC has made a cumulative loss for the period, as per the latest available financial statements; or
- b) Making distributions requires the use of earnings of the previous financial years; or
- c) Accumulated earnings of prior financial years remain negative before or after the proposed distribution; or
- d) The core capital remains at a level below the amounts specified in direction 3.1 above as at the respective effective dates of such directions, before or after the proposed distribution.

If a PDC wants to make a distribution for an interim period or before annual audited financials are available, it must retain at least the minimum amount required to fulfill the SRR obligations, based on the latest available profits after tax.

If a PDC does not meet the minimum capital requirement or the minimum risk-weighted capital adequacy ratio at the end of the period, the company shall refrain from making any distributions until full compliance is restored¹³.

¹³ [*Local Stock Treasury Bills Ordinance & Registered Stock and Securities Ordinance Directions - No. 1 of 2025*](#)

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4.0 Company Overview

4.1 Company profile

WealthTrust Securities Limited (WTS), incorporated on February 1, 2010, under the Companies Act No. 07 of 2007, commenced operations on September 21, 2011, as a Primary Dealer Company authorized by the Central Bank of Sri Lanka (CBSL) under the Local Treasury Bills Ordinance No. 08 of 1923 and the Registered Stock and Securities Ordinance No. 07 of 1937. In addition, WTS is licensed by the Securities and Exchange Commission (SEC) as a Stock Broker and Stock Dealer in debt securities. Since inception, the Company has established itself as a key player in the non-bank Primary Dealer space, demonstrating consistent performance in an industry characterized by volatility and sharp interest rate cycles.

Since FY2014, WTS has expanded its total assets from LKR 7.2 Bn to LKR 22.9 Bn in FY2025, reflecting a CAGR of 11.1%. Over the same 12-year period, the Company delivered an impressive average ROE of 30.91% and a ROA of 5.3%. As of March 31, 2025, and September 30, 2025, WTS maintained a solid capital base of LKR 5.8 Bn and LKR 6.3 Bn, respectively, underscoring its financial strength. The Company's core business model remains centered on trading government securities in both the primary and secondary markets.

WTS's success is underpinned by its well-integrated operations, the expertise and market acumen of its skilled professionals, and a disciplined approach to risk management. These strengths have enabled the Company to cultivate a diverse and loyal clientele comprising institutional investors, high-net-worth individuals (HNIs), and retail investors who depend on WTS for reliable investment guidance and market insights. Moreover, the Company is backed by strong shareholders that provide a solid foundation for long-term growth and stability.

WTS's trading strategies are consistent, disciplined, and market-responsive with a risk averse approach which leads to a turnaround (churning) of its portfolio more frequently. In addition, WTS's consistently high market participation reflects the strong confidence of clients in executing their transactions through WTS and the company's ability to do so efficiently, underscoring its role as a preferred counterparty in the secondary market.

4.2 Historical Financial Performance Analysis

Net interest income and Margins

Table 4.1: Historical Net interest income of WTS

LKR 000's	FY21	FY22	FY23	FY24	FY25
Interest Income	988,521	638,337	5,328,866	6,117,941	3,294,596
YoY Growth %	-7.6%	-35.4%	734.8%	14.8%	-46.1%
Interest Expense	(578,883)	(326,097)	(3,156,543)	(2,991,185)	(1,957,495)
Net Interest Income	409,639	312,241	2,172,323	3,126,757	1,337,100
Net Interest Margin %	3.6%	3.1%	9.0%	9.9%	5.4%

Source: Audited Financial Statements.

Interest income declined sharply in FY2022, largely due to the continuous increase in interest rates and in turn the small portfolio sizes maintained due to the looming financial crisis, which eventually materialized in April 2022, with Sri Lanka suspending its first foreign debt payments. The portfolio positioning caused a contraction in net interest income and margins during the year. In FY2023, interest income rose significantly as yields spiked, boosting interest income of WTS, as a result of significantly increasing its trading portfolio to close the FY at LKR 36.9 Bn from LKR 11.7 Bn in FY2022. The momentum carried into FY2024, with a further increase in interest income, supported by the high yielding assets and an improvement in net interest margins as a result of funding costs easing with interest rates declining during the period. The asset base was reduced to LKR 26.6 Bn by the end of FY2024, to realize mark-to-market gains accumulated throughout the year due to the significant decline in interest rates. However, FY2025 saw a further decline, driven by further disposal of securities to realize trading gains, which reduced interest income. This pattern is mirrored in net interest income and in the Company's net interest margins (NIMs), which peaked in FY2024 before declining in FY2025. The Company has continuously maintained strong NIMs primarily driven by its ability to source low-cost funding via shorter tenure repos.

Trading gains

Table 4.2: Historical Trading gains of WTS

LKR 000's	FY21	FY22	FY23	FY24	FY25
Net gains/losses from financial assets	877,391	(253,157)	1,155,357	7,044,237	1,260,585

Source: Audited Financial Statements.

The Company's trading and fair value gains/losses performance were in line with the movements in interest rates and market volatility during the period in consideration. In FY2022, trading losses were recorded as the sudden rate hikes led to mark-to-market and realized losses, which was experienced across the PDCs industry. The following year, FY2023, despite rising interest rates, saw strong gains, as heightened volatility presented opportunities for trading profit maximization. FY2024 marked a peak in trading income, with steep decline in interest rates and supported by volatility creating an environment conducive to record trading gains. WTS disposed of a significant portion of its trading portfolio to realize higher trading gains during the period. By contrast, FY2025 experienced relatively subdued trading gains, reflecting a more stable market with reduced volatility.

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Operating Expenses

Table 4.3: Historical Operating Expenses of WTS

LKR 000's	FY21	FY22	FY23	FY24	FY25
Administrative & General Expenses	(474,121)	(93,402)	(864,501)	(1,837,492)	(578,913)
Other Operating Expenses	-	-	-	(927,201)	(189,552)

Source: Audited Financial Statements.

Administrative and general expenses fluctuated over the review period in line with business performance and staff compensation structures. FY2022 expenses fell markedly as no performance-related rewards were paid, given the loss-making year. In FY2023, costs rose significantly, driven by staff salary adjustments and reinstated performance incentives. FY2024 saw a marginal decrease in expenses excluding performance rewards, though performance rewards increased significantly in-line with increase in profitability. By FY2025, administrative and general expenses excluding performance rewards rose by approximately 10%, reflecting normal cost escalation and business activity.

Other operating expenses include VAT on financial services and Social Security Contribution Levy. The expense of LKR 927 Mn in FY2024 includes total VAT on financial services of LKR 844 Mn. This comprises of VAT on financial services of LKR 446 Mn for FY2024, LKR 305 Mn for FY2023, LKR 49 Mn FY2021 and LKR 44 Mn for FY2019.

Net profit & ROE

Table 4.4: Historical Net profit of WTS

LKR 000's	FY21	FY22	FY23	FY24	FY25
Net Profit	587,932	(43,146)	1,704,926	4,906,904	1,193,516
ROE	21.19%	-1.58%	47.13%	88.44%	19.18%

Source: Audited Financial Statements.

The Company reported a net loss in FY2022, reflecting the challenging interest rate environment, though losses remained notably lower compared to some loss-making peers, due to prudent risk averse strategies adapted by WTS. Profitability rebounded strongly in FY2023 as higher trading gains more than offset rising finance costs and operating expenses, driving ROE above 47%. FY2024 delivered record earnings of LKR 4.9 Bn, supported by favorable market volatility, resulting in the Company's highest ROE to date of 88.4%. In FY2025, profits moderated to LKR 1.2 Bn as both trading gains and interest income declined amid a less volatile market environment with lower interest rates, while ROEs moderated to 19.2%.

Total Assets

Table 4.5: Historical Total Assets of WTS

LKR 000's	FY21	FY22	FY23	FY24	FY25
Total Assets	9,180,535	11,697,985	36,945,759	26,557,323	22,946,452

Source: Audited Financial Statements.

Total assets expanded significantly in FY2023, driven by a substantial build-up of government securities, both as core holdings and under resale agreements. In FY2024, the asset base contracted as securities were disposed of to realize trading gains. The declining trend continued in FY2025, reflecting the Company's more conservative positioning in a period of lower market volatility and reduced trading opportunities. However, during the 12-month period of FY2024 and FY2025, total assets spiked at certain points, close to FY2023 amounts, reflecting the company's trading strategies.

Leverage

Table 4.6: Historical Leverage of WTS

LKR 000's	FY21	FY22	FY23	FY24	FY25
Securities sold under Repos	5,316,976	8,404,863	29,901,533	14,790,310	15,648,176
Bank Overdrafts	-	499,297	1,362,887	1,451,501	596,389
Lease Liabilities	19,292	14,986	10,179	4,557	23,526
Total Interest Bearing Debt	5,336,268	8,919,146	31,274,599	16,246,367	16,268,091
Equity	2,703,435	2,764,773	4,469,699	6,626,319	5,819,327
Debt/Equity (x)	2.0	3.2	7.0	2.5	2.8

Source: Audited Financial Statements.

Leverage levels rose notably in FY2022 and FY2023, as the Company increased borrowings to support the enlarged securities portfolio. Subsequently, in FY2024 and FY2025, leverage ratios fell as the asset base was brought down, reducing the need for debt-funded positions.

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5.0 Valuation Methodology

5.1 Justified P/BV

The justified Price to Book (Justified P/BV) approach is a fundamentals-driven valuation method derived from Gordon's Growth Model. It estimates the fair value of a company's equity by applying a multiple to its net asset value, with the multiple determined by the relationship between sustainable long-term return on equity, cost of equity, and long-term growth rate.

The model is expressed as:

$$\text{Justified P/BV} = (\text{ROE} - g) / (\text{Ke} - g)$$

where:

- ROE = sustainable long-term return on equity
- Ke = cost of equity
- g = long-term sustainable growth rate of book value

The multiple reflects the spread between ROE and Ke, adjusted for sustainable growth. A wider spread between ROE and Ke results in a higher justified multiple.

By applying the justified multiple to net asset value, an intrinsic equity valuation is derived that reflects the company's ability to sustain value creation over the long term. This methodology is particularly suited for financial institutions and firms where book value is a meaningful proxy for underlying economic worth and for financial institutions where regulated capital is involved. Moreover, Justified P/BV is a valuation method preferred over a residual income method, as the residual income method is more appropriate for when assets are held to maturity, such as in the finance and banking industry.

5.2 Relative Valuation based on Price to Book Value Ratio (P/BV)

The Price to Book Value (P/BV) ratio is a commonly used valuation multiple that compares a company's market price per share with its book value per share. Book value represents the net asset value of the company, calculated as total assets minus total liabilities, and is an important measure of the intrinsic worth of a business based on its balance sheet.

Price to Book Value Ratio (P/BV) = Market Price per Share / Book Value per Share

In this valuation method, the average P/BV ratio of Peer companies will be applied to the Net Asset value of the target company to arrive at the intrinsic value of the target company.

5.3 Dividend Discount Model

The Dividend Discount Model (DDM) is a fundamental valuation approach that determines the value of a company based on the present value of its expected future dividend payments.

Under this methodology, the value of a stock is estimated by discounting projected dividends using the cost of equity, which reflects the return required by investors given the company's risk profile. The underlying principle is that the value of an equity security equals the sum of all future cash flows (dividends) attributable to shareholders, discounted back to their present value.

The general formula applied is:

$$\text{Value per Share} = D_1 / (k_e - g)$$

Where:

D_1 = Expected dividend per share in the next period

k_e = Cost of equity

g = Long-term sustainable dividend growth rate

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6.0 Valuation Results & Assumptions

6.1 Valuation Summary

The valuation outcomes for the company are summarized in the table below. The Justified P/BV multiple was used as the primary methodology, resulting in a value per share of LKR 8.28. Secondary methodologies, including market multiples and the dividend discount model, produced per-share values of LKR 8.30 and LKR 7.52, respectively.

Table 6.1: Valuation Summary

Valuation Methodology	Section	Notes	Value per share (LKR)
Justified Price to Book Multiple	6.2	Primary Methodology	8.28
Market Multiples – P/BV based	6.3	Secondary Methodology	8.30
Dividend Discount Model	6.4	Secondary Methodology	7.52

The primary reason for using the justified P/BV multiple as the main valuation method is its suitability for capturing the intrinsic value of a primary dealer business due to the method's focus on the long-term sustainable ROE and considering the limitations of alternative valuation approaches.

Market Approach: This has been considered as a secondary methodology. Applying market-derived multiples can provide a benchmark, but market multiples may be distorted by short-term investor sentiment, macroeconomic shocks, or structural differences between peer institutions (e.g. WTS, relative to its peers, is known to utilize a relatively risk-averse approach in its trading strategy, characterized by holding positions for short durations and frequent portfolio rollovers). Relying solely on market multiples may not reflect the intrinsic ability of the PDCs to generate sustainable returns on their capital base.

Dividend Discount Methods: This has been considered as a secondary methodology. This approach is dependent on dividend payments and stable earnings growth assumptions. Additionally, the Gordon Growth framework assumes a known and stable dividend growth rate and that growth cannot exceed the cost of equity, which may not hold true for PDCs with cyclical earnings and fluctuating market conditions.

Residual Income Method: Commonly applied in the banking sector, the residual income method assumes that book value drives intrinsic value and that most assets are held to maturity. However, this approach is less suitable for primary dealers, as a significant portion of their assets are held for trading rather than held to maturity. The resulting volatility in trading profits makes earnings-based forecasts less reliable, reducing the effectiveness of this method for valuing PDC businesses.

The Net Asset Value (NAV) Method: The NAV method was not adopted, as it does not adequately capture the earnings potential or going-concern value of a PDC. The NAV approach is based on the estimated market value of assets and liabilities, and while it can serve as a yardstick or benchmark valuation methodology, it ignores the earnings-generating capacity, which is the core value driver of the business.

6.2 Justified P/BV Valuation Results

The valuation outcome indicates a justified Price to Book multiple of 1.53x, which results in an equity value of LKR 9,546 Mn or LKR 8.28 per share, based on WTS's 30 September 2025 NAV of LKR 6,256 Mn.

Table 6.2: Justified P/BV Valuation Outcome

Valuation Outcome	
Justified Price to Book Multiple (refer section 6.2.1 for details)	1.53
Net Asset Value as of 30 September 2025 (LKR)	6,256,448,263
Equity Value (LKR)	9,546,413,066
Number of shares post sub-division	1,153,504,695
Per share value (LKR)	8.28

Valuation sensitivity analysis – Share Price (LKR)

Table 6.3: Sensitivity Analysis

Cost of Equity %	Return on Equity %					
		21.75%	22.00%	22.25%	22.50%	22.75%
	15.15%	8.80	8.93	9.06	9.18	9.31
	15.65%	8.40	8.53	8.65	8.77	8.89
	16.15%	8.04	8.16	8.28	8.39	8.51
	16.65%	7.71	7.82	7.93	8.05	8.16
	17.15%	7.40	7.51	7.62	7.73	7.83

For the sensitivity analysis, deviations of +/-0.25% for Return on Equity and +/- 0.5% for Cost of Equity have been considered. This range captures potential variability in key inputs and assesses the impact on the per-share value of the company.

6.2.1 Justified P/BV Key Assumptions

Table 6.4: Justified P/BV Valuation Assumptions

	Section	
Return on Equity (ROE) %	6.2.1.1	22.25%
Growth %	6.2.1.2	4.55%
Cost of Equity (Ke) %	6.2.1.3	16.15%
Justified Price to Book Multiple = (ROE - G) / (Ke - G)		1.53x

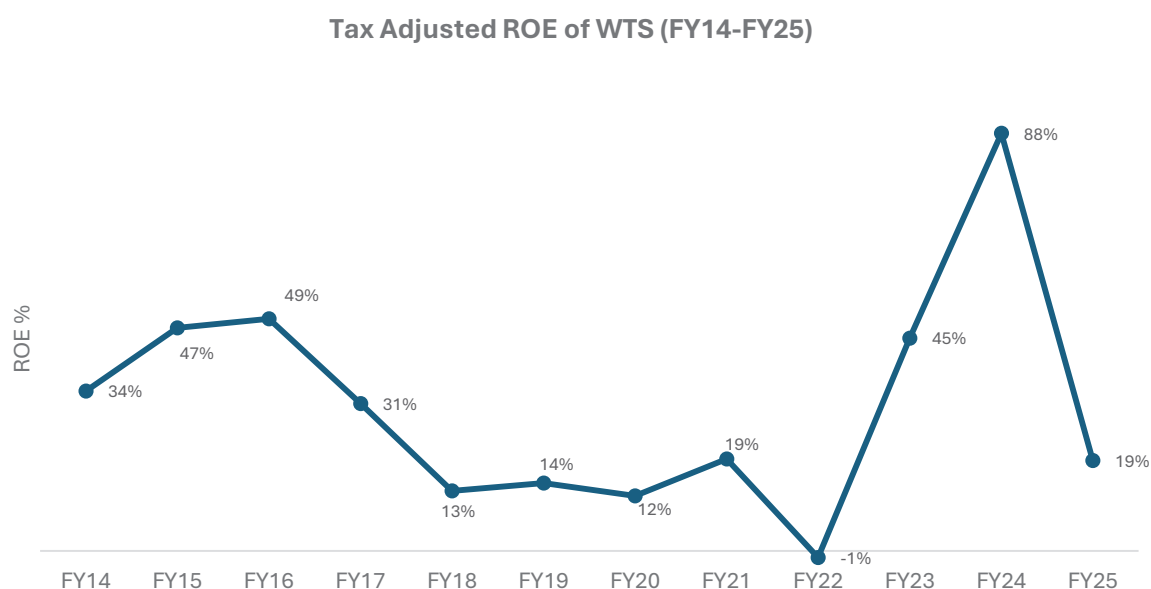
6.2.1.1 Return on Equity – 22.25%

In the justified P/BV multiple method, ROE represents the company's ability to generate long term sustainable profits from its book equity and is a key driver in determining the intrinsic Price to Book value. Over the past 12 years (from FY2014 to FY2025), WTS has delivered an average ROE of 30.91%. For consistency, historical ROEs have been adjusted to reflect the higher tax rate of 30%, ensuring full comparability across all periods. In FY2020 – FY2021, interest rates were

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subject to significant government intervention due to impacts on the economy due to COVID-19. Further, during the period FY2022 – FY2024, interest rates were highly impacted by the financial crisis. Both these periods resulted in abnormal returns for the PDC industry. Hence, to better reflect the company's sustainable performance, excluding these abnormal years affected by COVID-19 in FY2020–FY2021 and the economic crisis in FY2022–FY2024, the ROE of 29.67% has been considered. This adjusted figure provides a clearer view of underlying profitability without the distortions caused by extraordinary economic conditions.

Given that ROEs for primary dealers are highly volatile and sensitive to external factors, we have conservatively applied a 25% discount to the 12-year adjusted average ROE of 29.67% to derive a long-term sustainable ROE of 22.25% for valuation purposes.



Source: Audited Financial Statements.

*Reported ROEs from FY2014 to FY2022 have been adjusted to reflect the higher income tax rate of 30%, which became effective from FY2022 onwards.

Volatility in ROE

ROEs for primary dealers are inherently volatile and highly sensitive to interest rate movements, which are in turn sensitive to macro-economic conditions, regulatory changes, and external factors. To better understand and quantify this volatility for WTS and its non-banking primary dealer peers, we have analyzed the ROEs of PDCs for the period FY2018 – FY2025 using the standard deviation.

Table 6.5: Volatility in ROEs of PDCs

Volatility in ROEs of PDCs	Standard Deviation of ROEs*
HNB Securities (formerly Acuity Securities)	21.02%
NSB Fund Management	27.59%
Wealth Trust Securities Limited	28.23%
Capital Alliance PLC	41.43%
First Capital Treasuries PLC	55.78%

Source: ASA analysis, FCT, CALT & NSB Fund Management – Annual Reports, HNB Securities- Published Financial Statements, WTS – Audited Financial Statements

*ROE volatility has been assessed for the period FY2018–FY2025

WTS has the median ROE volatility among its peers at 28.23%. This reflects its relatively more prudent investing and trading strategy enabling more consistent investor returns over time. Considering this, we believe the 25% discount applied to the 12-year adjusted average ROE of 29.67% to account for the volatility in returns is justifiable in arriving at the long-term sustainable ROE of 22.25%.

ROE – Banking Industry

From 2018 - 2024, banks on average delivered comparatively lower ROEs, while primary dealers have consistently generated stronger returns, making them a more attractive play from a shareholder return perspective.

Table 6.6: ROEs of listed banks

	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23	CY24
DFCC	8.2%	5.8%	7.6%	9.2%	6.4%	4.7%	5.5%	6.9%	5.6%	13.5%	12.1%
SEYB	13.3%	15.0%	14.5%	14.9%	8.7%	9.0%	6.3%	8.9%	8.3%	10.7%	15.0%
UBC	0.3%	1.4%	3.1%	3.0%	3.1%	4.6%	3.6%	4.7%	2.4%	2.4%	1.5%
NTB	19.8%	18.0%	17.7%	17.4%	15.3%	12.7%	12.2%	17.8%	16.8%	21.4%	23.9%
NDB	15.8%	12.6%	9.2%	11.1%	14.3%	11.6%	11.2%	12.5%	4.6%	8.1%	12.5%
PABC	9.5%	19.8%	19.8%	15.9%	14.1%	14.3%	14.3%	18.1%	10.2%	8.6%	16.8%
ABL	-1.6%	3.0%	0.7%	5.9%	4.9%	3.9%	3.8%	6.3%	5.6%	7.7%	8.0%
COMB	16.9%	16.7%	19.4%	17.8%	15.6%	13.6%	11.5%	14.7%	12.7%	9.8%	22.0%
HNB	15.7%	14.7%	17.7%	15.0%	13.9%	10.6%	8.7%	11.5%	8.5%	11.5%	18.4%
SAMP	15.9%	18.0%	21.4%	21.4%	15.9%	11.6%	7.5%	11.5%	10.7%	12.2%	17.1%
Highest	19.8%	19.8%	21.4%	21.4%	15.9%	14.3%	14.3%	18.1%	16.8%	21.4%	23.9%
Average	11.4%	12.5%	13.1%	13.1%	11.2%	9.6%	8.5%	11.3%	8.5%	10.6%	14.7%
Lowest	-1.6%	1.4%	0.7%	3.0%	3.1%	3.9%	3.6%	4.7%	2.4%	2.4%	1.5%

Source: Bloomberg – Accessed 5th November 2025.

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6.2.1.2 Growth Rate – 4.6%

In a justified P/BV valuation, the growth rate reflects the long-term sustainable growth of the company's book value. For this analysis, a terminal growth rate of 4.55% has been assumed, based on the average 10-year real GDP growth rate of Sri Lanka¹⁴. In calculating this, years impacted by extraordinary political, external, and macroeconomic shocks – specifically 2019, 2020, 2022, and 2023 have been excluded to avoid distorting the long-term trend. Considering the country's historical growth trajectory, current economic stability, economic reforms currently underway, we believe this long-term growth rate is a reasonable assumption.

6.2.1.3 Cost of Equity – 16.15%

Table 6.7: Cost of Equity Assumptions

Cost of Equity Assumptions	
Cost of Equity (Ke) %	16.15%
Risk Free Rate (Rf)	9.5%
Market Risk Premium (MRP)	6.5%
Unlevered Beta	0.33
Levered Beta	1.02
Debt %	75%
Equity %	25%
Average Rate of Tax	30%

The cost of equity (Ke) of 16.15% is estimated using the Capital Asset Pricing Model (CAPM). The risk-free rate (Rf) of 9.5% corresponds to the 5-year Treasury bond rate as of August 28, 2025¹⁵. The market risk premium (MRP) of 6.5% represents the expected excess return from investing in the equity market over the risk-free rate.

The unlevered beta of 0.33 is based on the average of Damodaran's published betas for brokering and investment banking firms (0.34), as well as non-banking financial services and insurance companies (0.32) in emerging markets¹⁶. The average betas (against the ASPI on the CSE) of WTS's listed peers, CALT and FCT, is 0.07. (Colombo Stock Exchange, accessed on 16th September 2025). This average beta was not considered, due to the low trading volumes of both shares.

¹⁴ CBSL – [Sri Lanka Macroeconomic Developments in Charts – as at March 2025](#)

¹⁵ [Risk-free rate based on 5-year Government Security yield published by the CBSL](#)

¹⁶ (Damodaran, A. (2025). "Betas by Industry – [Emerging Markets](#) – accessed on 16th September 2025

6.3 Market Multiples - P/BV Based valuation Results

The relative valuation based on market P/BV multiples indicates a total valuation of LKR 9,578 Mn and a per share value of LKR 8.30, derived using an average peer P/BV multiple of 1.53x.

Table 6.8: P/BV based Valuation Results

Valuation Outcome	
Peer Average Price to Book Multiple	1.53x*
Net Asset Value as of 30 September 2025 (LKR)	6,256,448,263
Equity Value (LKR)	9,578,045,431
Number of shares post sub-division	1,153,504,695
Per share value (LKR)	8.30

* To maintain a conservative approach, the valuation is based exclusively on the direct peer average.

The listed peers considered in calculating the peer average P/BV multiple are as follows:

Table 6.9: Listed Peer Average P/BV

Listed Peers	Share Price ¹	NAV per share as at 30 June 2025 ²	LTM P/BV (x)
First Capital Treasuries PLC *	31.96	17.34	1.84
Capital Alliance PLC *	58.46	47.97	1.22
First Capital Holdings PLC (CFVF) **	50.64	26.57	1.91
Capital Alliance Holdings PLC (CALH)**	17.93	10.25	1.75
*Direct Peer Average			1.53
**Direct Peer + Comparable Average			1.68

¹ 3 month Volume Weighted Average Price (VWAP) as of 26 September 2025 [Source: CSE]

² Source – Interim financial Reports published on the CSE website

For the relative valuation, we have primarily relied on the P/BV multiples of direct peers (FCT & CALT), while also benchmarking against a wider set of comparables (CFVF & CALH), which are the holding companies of the standalone primary dealers. Although they are not pure-play primary dealers, and constitute other financial services businesses, these holding companies are closely comparable given that their revenues and profitability are largely driven by their primary dealer units. For instance, CFVF's primary dealer contributed 58% of total consolidated trading income in FY2025 (91% in FY2024) and 61% of PAT in FY2025 (110% in FY2024). Similarly, CALH derived 69% of consolidated trading income in FY2025 (91% in FY2024), while its Primary Dealer Unit (PDU) contributed 105% of PAT in FY2025 (99% in FY2024).¹⁷

¹⁷ Annual Reports FY25 – [CALH](#), [CFVF](#)
Quarterly Reports 1QFY26 – [CALH](#), [CFVF](#)

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Table 6.10: Primary Dealer Unit contribution to Consolidated income and profits

	PDU's Trading Income as % of Consolidated Income			PDU's PAT as % of Consolidated PAT		
	FY24	FY25	1QFY26	FY24	FY25	1QFY26
CFVF						
PDU (Mn)	18,406	5,353	2,538	11,143	3,042	1,553
Consolidated Group (Mn)	20,205	9,277	3,429	10,156	5,017	2,149
	91%	58%	74%	110%	61%	72%
CALH						
PDU (Mn)	23,742	7,562	2,171	13,893	4,421	1,407
Consolidated Group (Mn)	26,217	11,039	3,201	14,091	4,228	1,786
	91%	69%	68%	99%	105%	79%

Source: FY25 Annual & 1QFY26 Quarterly Reports of First Capital Holdings PLC and Capital Alliance Holdings PLC

These figures highlight that the PDU units are the dominant drivers of earnings for both CFVF and CALH, making them closely comparable peers despite their broader business mix.

The inclusion of these companies results in a blended peer multiple that is higher than the average derived solely from direct peers. However, in order to adopt a conservative valuation approach, we have anchored our estimates to the lower direct peer average, despite evidence that the broader set of comparables trade at higher multiples, suggesting the company could justify a higher valuation.

6.4 Dividend Discount Model Results

Based on our dividend discount valuation approach, we have derived the value per share by projecting dividend growth against the required return to equity holders. The analysis incorporates the company's average dividend payout, expected long-term growth in dividends, and the cost of equity, allowing us to arrive at both the fair value per share and the corresponding total equity value. The key outcomes are summarized in the table below.

Table 6.11: Dividend Discount Model Valuation Results

Valuation Outcome	
Value per share (LKR)*	7.52
Number of shares	1,153,504,695
Total Equity Value (LKR)	8,671,794,818
Net Asset Value as of 30 September 2025 (LKR)	6,256,448,263
Implied P/BV (based on NAV as of 30 September 2025)	1.39

Valuation sensitivity analysis – Value per share (LKR)

Table 6.12: Sensitivity Analysis

Dividends Growth %	Cost of Equity %					
		15.65%	15.90%	16.15%	16.40%	16.65%
	9.01%	6.89	6.64	6.41	6.19	5.99
	9.51%	7.48	7.19	6.92	6.67	6.43
	10.01%	8.18	7.84	7.52	7.22	6.95
	10.51%	9.02	8.60	8.22	7.87	7.55
	11.01%	10.04	9.53	9.06	8.64	8.26

For the sensitivity analysis, deviations of +/-0.25% for Cost of Equity and +/- 0.5% for Dividend growth have been considered. This range captures potential variability in key inputs and assesses the impact on the per-share value of the company.

6.4.1 Dividend Discount Model Assumptions

Table 6.13: Dividend Discount Model Assumptions

	Section	
Average Dividends per share (DPS) - LKR	6.4.1.1	0.42
Dividends Growth (G)	6.4.1.2	10.01%
Cost of Equity (Ke)	6.4.1.3	16.15%
Value per share $(DPS * (1+G) / (Ke - G))$ - LKR		7.52

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6.4.1.1 Dividends Per Share – LKR 0.42

The average dividend per share over the 12-year period from FY2014 to FY2025, adjusted for the share split, is LKR 0.42, with an average payout ratio of 32.54%. Management intends to maintain a dividend payout ratio of 55% going forward. Dividends have been paid in all profitable years, reflecting a consistent shareholder-focused capital allocation policy. In FY2025, dividends were retained to proactively strengthen the Company's capital base in view of the anticipated increase in minimum core capital requirements and in preparation for the IPO, enabling the management to support a higher payout ratio of 55% post-listing.

Table 6.14: Dividend Payout of WTS

	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
DPS (Reported)	3.0	6.0	3.0	5.0	3.0	3.0	3.0	6.0	-	22.8	121.4	-**
DPS* (Reinstated)	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.2	-	0.7	3.5	-**
EPS (Reported)	6.4	10.9	15.9	20.3	10.6	10.9	9.9	17.8	(1.3)	51.7	148.9	36.2
EPS* (Reinstated)	0.2	0.3	0.5	0.6	0.3	0.3	0.3	0.5	(0.0)	1.5	4.3	1.0
Dividend Payout	47%	55%	19%	25%	28%	27%	30%	34%	0%	44%	82%	0%

Source: WTS – Audited Financial Statements.

*Reported number of shares of the Company has been reinstated to reflect the 1:35 Share Split made on 29th September 2025 (Number of shares prior to the share split was 32,957,277; post share split - 1,153,504,695)

** Dividends have not been declared for FY2025 to ensure that sufficient capital was retained in anticipation of a potential increase in the minimum core capital requirement by the CBSL. The company intends to pay dividends following the IPO, allowing IPO investors to directly benefit from the distributions.

Considering the assumed DPS of LKR 0.42 per share, on a post IPO basis (i.e. 1,225,052,939 shares), amounts to a total dividend of LKR 514,522,234. Based on the management's target dividend payout ratio of 55% (subject regulatory capital requirements and other statutory considerations), a net profit of LKR 935,494,972 should be achieved for the ongoing year FY2026, implying an ROE of 14.9%. Considering the YTD performance of WTS, management is confident of achieving this ROE and dividend payout target.

6.4.1.2 Cost of Equity – 16.15%

Refer section 6.2.1.3

6.4.1.3 Dividend Growth Rate – 10.01%

The dividend growth rate was derived based on the long-term sustainable target ROE of 22.25% and the expected dividend payout ratio of 55%, resulting in a growth assumption of 10.01% (i.e. $22.25\% \times (1 - 55\%)$).

7.0 Risks

The future performance of WTS is exposed to various risks, some of which may be beyond the Company's control. If any of these risks were to materialize, they could adversely impact the Company's operations and the value of its ordinary shares. The following section outlines the key risks faced by the Company, though it may not be exhaustive.

Market and Interest Rate Risk

The valuation of a PDC is subject to significant market and interest rate risk given its heavy reliance on trading and holding government securities. Shifts in the yield curve, whether parallel or non-parallel, can materially affect the mark-to-market value of portfolios and directly impact earnings. Additionally, heightened volatility in interest rates, particularly during periods of monetary policy uncertainty or fiscal stress, can trigger outsized trading losses. Reinvestment risk also arises when maturing securities must be reinvested at lower yields, compressing spreads and profitability.

Regulatory and Policy Risks

PDs operate in a highly regulated environment, and changes in regulations or policies can materially impact their performance. Regulatory and policy risks include modifications to CBSL rules on capital requirements, distribution restrictions, and leverage limits. Such changes can affect a PD's earnings potential and capital base, potentially changing the valuation of the Company. Furthermore, PDCs are obligated to a minimum subscription of government bond issuance regardless of market conditions, which may result in losses during periods of weak demand. Any structural change in auction mechanisms, issuance practices, or the role of primary dealers within the monetary system could significantly alter the profitability profile of the business.

Liquidity Risk

Another vulnerability is liquidity risk, as PDCs typically fund large portfolios through short-term borrowing. Adverse market conditions or a tightening in interbank liquidity can create significant funding mismatches, impairing the ability to roll over positions. Reduced access to repo markets or central bank refinancing facilities may further exacerbate stress, forcing the dealer to liquidate securities at unfavorable prices and eroding both earnings and capital.

Business Model and Revenue Concentration Risk

The business model and revenue concentration risk is another key consideration, as the PD's earnings are overwhelmingly dependent on trading government securities. This lack of diversification amplifies the cyclical nature of earnings, which are tied to issuance volumes, interest rate cycles, and overall market conditions. Unlike banks or diversified financial institutions, PDs have limited fee-based or non-market income to offset downturns in trading performance.

▶ ANNEXURE 4 – RESEARCH REPORT

Macroeconomic Risk

PDs are highly sensitive to macroeconomic conditions, as shifts in inflation, interest rates, exchange rates, and fiscal balance directly affect earnings and balance sheet strength. Periods of high inflation or currency depreciation often trigger tighter monetary policy and elevated interest rates, resulting in bond market volatility and potential mark-to-market losses. Economic slowdowns can further reduce trading activity, expand bid-ask spreads, and diminish secondary market liquidity, making it more difficult to unwind positions or capture trading gains. In addition, increased fiscal pressures during weak economic cycles may lead to heavy government issuance, which can drive yields higher and compress profitability. External shocks and global uncertainties — such as fluctuations in global interest rates or geopolitical developments — can further exacerbate domestic market volatility. Adverse macroeconomic conditions therefore amplify earnings volatility, erode capital, and heighten the uncertainty surrounding valuation outcomes.

8.0 Individuals Materially Participating in this Valuation Agreement

Dumith Fernando – Chairman/ Director

Dumith Fernando brings more than 30 years of finance and leadership experience across major financial centers including New York, Hong Kong, and Sri Lanka. Before assuming the Chairmanship at Asia Securities, he served as Managing Director and Group COO for Credit Suisse Asia Pacific, and as Executive Director at J.P. Morgan. In Sri Lanka, he has played key governance and board roles, notably as Chairman of the Colombo Stock Exchange. He currently sits on the boards of Union Assurance PLC and Sri Lankan Airlines Ltd., helping steer strategic direction, corporate governance, and value creation. He has collaborated with prestigious clients and institutions – both global and regional – among them Blackstone, TPG, Creation Investments (USA), Singer Asia, Hemas, Hayleys, Royal Ceramics, and Atlas. Dumith holds an MBA from Harvard Business School.

Tivanka Perera, ACMA – Vice President – Investment Banking

Tivanka joined Asia Securities in 2021 and has over 10 years of work experience in Investment Banking, Deal Advisory and Internal Audit & Assurance and has been involved in several capital market transactions. Prior to joining Asia Securities, he held the position of Senior Associate, Investment Banking at CT CLSA. Prior to his stint at CT CLSA, he worked as an Associate Consultant in the Deal Advisory Division of KPMG, Sri Lanka. Tivanka, started off his career at PwC, Sri Lanka where he functioned as a Senior Audit Associate in Internal Audit & Assurance Services in addition to which he also participated in M&A Advisory and External Audit assignments. Tivanka is an Associate member of the Chartered Institute of Management Accountants (CIMA), UK and holds a Master's in Financial Economics from the University of Colombo.

Ruvandi Rupasinghe, CFA - Assistant Vice President – Investment Banking

Ruvandi joined Asia Securities in 2022 and has over eight years of experience spanning investment banking, corporate finance, and venture capital. She has been actively involved in a range of capital market transactions, including IPOs and M&A Advisory, and was a member of the team that successfully executed the Cable Solutions IPO in 2024. Prior to Asia Securities, she worked as an Associate – Deal Evaluation at M Venture Partners, a Singapore-based venture capital firm, and previously spent three years in KPMG Sri Lanka's Deal Advisory (Corporate Finance) division, leaving as an Associate Consultant. Ruvandi is a CFA Charter holder, a passed finalist of ACCA, and holds a B.Sc. in Accounting (Special) from the University of Sri Jayewardenepura as well as a Bachelor's in Applied Accounting from Oxford Brookes University.

Amani Numan – Analyst – Investment Banking

Amani joined Asia Securities in 2024 where she is involved in financial analysis, financial modeling, and transaction support. She began her career at Acuity Knowledge Partners, focusing on ESG, Sustainable Finance, as well as credit monitoring and analysis. Amani holds a BSc in Economics and Management from the University of London and is a Passed Finalist of the Chartered Institute of Management Accountants (CIMA), UK.

▶ ANNEXURE 4 – RESEARCH REPORT

Mechale Martis – Trainee Analyst – Investment Banking

Mechale joined Asia Securities in April 2025 as a Trainee Analyst. Prior to joining ASEC, she interned at NDB Capital Holdings, primarily supporting both debt and equity transactions at NDB Investment Bank Limited. She holds a Bachelor of Business Management (Honors) degree in Financial Engineering from the University of Kelaniya.

9.0 Disclaimer

Our analysis is based on information obtained from the audited financial and unaudited management accounts for the period FY15 -FY25 supplied by WTS management. We accepted all such information as accurate and acted with due care and consideration in preparing the report. However, nothing has come to our attention to believe that the facts and data set forth in the report are incorrect. However, we assume no responsibility for errors or omissions in information furnished by WTS.

The assumptions incorporated into the valuation methods, which determined the Company's valuation and consequently the offer price, were developed in consultation with the Company's management, and further refined based on the independent assessment.

Neither Asia Securities Advisors Pvt Ltd (ASA) nor any of its employees involved in this assignment have a financial interest in WTS. The fee for the preparation of this report is not contingent upon results reported.

We did not investigate either property titles or the directors' claims of WTS's ownership of said properties. Neither have we explored the possibility of liens or encumbrances lodged against the properties.

This report is for the use of the Board of Directors and shareholders of WTS for the purpose set out in Section 1.2 of this report and should not be used for any other purpose.

Neither all nor part of the contents of this report shall be disseminated to the public, through advertising, public relations, news, sales, or any other public media without prior approval of ASA.

In carrying out this Assignment, analyses deemed to be appropriate and assessments that were possible and practical within the time available have been carried out. Financial information and market data from the CSE, and Bloomberg have also been used for this Assignment.

The value recommendations given in this report are valid as at 06th November 2025, and will be valid for a period of 03 months from the date of issuance of the final prospectus or where material changes have taken place in the Company's operating environment. A factor to be considered for this report is that the valuations carried out are done based on financial data provided by WTS. Where the data provided were incomplete, we have used reasonable judgment.

▶ ANNEXURE 4 – RESEARCH REPORT

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www.asiasecurities.lk

▶ ANNEXURES 5 – COLLECTION POINTS

ANNEXURE 5 – COLLECTION POINTS

Copies of the Application Form can be obtained free of charge from the following collection points.

MANAGERS AND FINANCIAL ADVISORS TO THE ISSUE

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4th Floor, Lee Hedges Tower,
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COMPANY

WealthTrust Securities Limited

No. 102/1, Dr. N.M. Perera Mawatha (Cotta Road),
Colombo 08,
Sri Lanka
Tel: +94 11 2675091 - 4,
Fax: +94 11 2689605,
E-mail: info@wealthtrust.lk
Web: www.wealthtrust.lk

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Ground Floor M&M Center,
341/5, Kotte Road
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Tel: +94 11 2356444
Fax : +94 11 2440396

BANKERS TO THE ISSUE

Sampath Bank PLC - Colombo Super Branch

No. 103, Srimath Anagarika Dharmapala Mawatha,
Colombo 07.
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Email: colombosuper.mgr@sampath.lk

Sampath Bank PLC - Borella Super Branch

No. 50, Dudley Senanayake Mawatha,
Colombo 08.
Tel: +94 11 2695844 / 845
Email: borellasuper.mgr@sampath.lk

▶ ANNEXURES 5 – COLLECTION POINTS

Sampath Bank PLC - Wellawatte Super Branch

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Tel: +94 11 2507607 / 608

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Sampath Bank PLC - Maharagama Super Branch

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Maharagama.

Tel: +94 11 2160380 / 381

Email: maharagamasuper.mgr@sampath.lk

Sampath Bank PLC - Kandy Super Branch

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Kandy

Tel: +94 81 2232778 / 2233838

Email: kandysuper.mgr@sampath.lk

Sampath Bank PLC - Kiribathgoda Super Branch

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Kiribathgoda

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Email: kiribathgodasuper.mgr@sampath.lk

Sampath Bank PLC - Negombo Super Branch

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Negombo

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Email: negombosuper.mgr@sampath.lk

Sampath Bank PLC - Kurunegala Super Branch

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Kurunegala

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Email: kurunegalasuper.mgr@sampath.lk

Sampath Bank PLC - Galle Super Branch

No. 5, Wakwella Road,
Galle

Tel: +94 91 2245646 / 647

Email: gallesuper.mgr@sampath.lk

Sampath Bank PLC - Anuradhapura Super Branch

No. 268, Maithripala Senanayake Mawatha,
Anuradhapura

Tel: +94 25 2235026 / 27

Email: anuradhapurasuper.mgr@sampath.lk

▶ ANNEXURE 6 – TRADING PARTICIPANTS OF THE COLOMBO STOCK EXCHANGE

ANNEXURE 6 - TRADING PARTICIPANTS OF THE COLOMBO STOCK EXCHANGE

ACAP Stock Brokers (Pvt) Ltd.

No. 46/46, Greenlanka Building, 6th Floor,
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Tel: +94 117 564 000

Fax: +94 112 331 756

E-Mail: info@acapstockbrokers.lk

ACS Capital (Pvt) Ltd

No.44, Guildford Crescent, Colombo 07.

Tel: +94 11 789 8302

E-mail: info@acscapital.lk

Almas Equities (Pvt) Ltd

Westin Tower, 5th Level, No 2 - 4/1, Lake Drive,
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Fax: +94 11 2 673 908

E-mail - info@almasequities.com

Ambeon Securities (Pvt) Ltd

No.100/1,2nd Floor, Elvitigala Mawatha,
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Tel: +94 11 5 328 100

Fax: +94 11 5 328 177

E-mail: info@ambeonsecurities.lk

Asha Securities Limited.

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E-mail: asl@ashasecurities.net

Asia Securities (Pvt) Ltd.

4th Floor, Lee Hedges Tower, No. 349, Galle
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Fax: +94 11 258 4864

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Bartleet Religare Securities (Pvt) Ltd.

Level "G", "Bartleet House", No. 65, Braybrooke
Place, Colombo 2.

Tel: +94 11 4 221 000

Fax: +94 11 2 434 985

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Capital Alliance Securities (Pvt) Ltd.

Level 5, "Millennium House", 46/58 Navam
Mawatha, Colombo 2.

Tel: +94 11 2 317 777

Fax: +94 11 2 3177 88

E-mail: info@cal.lk

Capital Trust Securities (Pvt) Ltd.

No, 42, Mohamed Macan Markar Mawatha,
Colombo 3.

Tel: +94 11 2 174 174 / +94 11 2 174 175

Fax: +94 11 2 174 173

E-mail: inquiries@capitaltrust.lk

CT Smith Securities (Pvt) Ltd.

4-14, Majestic City, 10, Station Road, Colombo-4.

Tel: +94 11 2 552 290 - 4

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E-mail: info@ctcls.lk

Enterprise Ceylon Capital (Private) Limited.

2nd Floor-4B, Liberty Plaza, 250, R. A. De Mel
Mawatha, Colombo 3

Tel: +94 112 445 644

E-mail: info@ecc.lk

First Capital Equities (Pvt) Ltd.

Level 12, Vallible Property Building,
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Tel: +94 11 2 123 901

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▶ ANNEXURE 6 – TRADING PARTICIPANTS OF THE COLOMBO STOCK EXCHANGE

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HNB Stockbrokers (Pvt) Ltd

No. 53, Dharmapala Mawatha, Colombo 3.

Tel: +94 11 2 206 206

Fax: +94 11 2 206 298 / 9

E-mail: sales@hnbstockbrokers.lk

J B Securities (Pvt) Ltd.

No. 150, St. Joseph Street, Colombo 14.

Tel: +94 11 2 490 900

Fax: +94 11 2 430 070

E-mail: jbs@jb.lk

John Keells Stock Brokers (Pvt) Ltd.

186, Vauxhall Street, Colombo 2.

Tel: +94 11 2 306 250

Fax: +94 11 2 342 068

E-mail: jkstock@keells.com

Lanka Securities (Pvt) Ltd.

3rd Floor, " M2M Veranda Offices",
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Tel: +94 11 4 706 757 / +94 11 2 554 942

Fax: +94 11 4 706 767

E-mail: info@lankasec.com

LOLC Securities Ltd

No. 481, T.B.Jayah Mawatha, Colombo 10.

Tel: +94 11 758 2000

Fax: +94 11 2 662 883

E-mail: info@lolcsecurities.com

NDB Securities (Private) Ltd.

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Bauddhaloka Mawatha, Colombo 4.

Tel: +94 11 2 131 000

Fax: +94 11 2 314 181

E-mail: mail@ndbs.lk

Nestor Stock Brokers (Pvt) Ltd

The Landmark Building, No 385, Galle Road,
Colombo 03.

Tel: +94 11 475 8813

Fax: +94 11 2 550 100

E-mail: info@nestorstockbrokers.lk

Richard Pieris Securities (Pvt) Ltd

No.310, High Level Road, Nawinna, Maharagama.

Tel: +94 11 4 310 500

Fax: +94 11 2 802 385

E-mail: communication@rpsecurities.com

S C Securities (Pvt) Ltd.

5th Floor, 26 B, Alwis Place, Colombo 3.

Tel: +94 11 4 711 000 / +94 11 4 711 001

Fax: +94 11 2 394 405

E-mail: itdivision@sampathsecurities.lk

SenFin Securities Limited.

4th Floor, No.180, Bauddhaloka Mawatha,
Colombo 04.

Tel: +94 11 2 359 100

Fax: +94 11 2 305 522

E-mail: info@senfinsecurities.com

Softlogic Stockbrokers (Pvt) Ltd

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Fax: +94 11 7 277 099

E-mail: info@softlogicstockbrokers.lk

Somerville Stockbrokers (Pvt) Ltd.

410/95,1/1, Bauddhaloka Mawatha, Colombo 7

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Fax: +94 11 2 502 852

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▶ ANNEXURE 7 – CUSTODIAN BANKS

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Bank of Ceylon

Head Office

11th Floor, 04, Bank of Ceylon Mawatha, Colombo 01.

Tel: +94 112 204064

The Hong Kong and Shanghai Banking Corporation Limited

24, Sir Baron Jayathilake Mawatha, Colombo 01.

Tel: 011 2 325 435, 011 2 446 591, 011 2 446 303

Citi Bank, N A

65 C, Dharmapala Mawatha.

P. O. Box 888, Colombo 07.

Tel: +94 114 794728

People's Bank

Head Office - Treasury, 5th Floor, Sir

Chittampalam A. Gardiner Mawatha, Colombo 02.

Tel: 011 2 206782

Commercial Bank of Ceylon PLC

Commercial House

21, Bristol Street, P.O. Box 853, Colombo 01.

Tel: 011 2 445 010-15

Public Bank Berhad

340, R A De Mel Mawatha, Colombo 03.

Tel: 011 2 576 289, 011 7 290 200-7

Deutsche Bank AG

P.O. Box 314, 86, Galle Road, Colombo 03.

Tel: 011 2 447 062 / 011 2 438 057

Standard Chartered Bank

37, York Street, P. O. Box 112, Colombo 01.

Tel: +94 112 480450

Hatton National Bank PLC

HNB Towers, 479, T. B. Jayah Mawatha, Colombo 10.

Tel: +94 112 661 762

Sampath Bank PLC

110, Sir James Peiris Mawatha, Colombo 02.

Tel: +94 115 331458, +94 114 730662

Union Bank of Colombo PLC

64, Galle Road, Colombo 03.

Tel: +94 112 374205

State Bank of India

16, Sir Baron Jayathilake Mawatha, Colombo 01.

Tel: +94 114 622350

Nations Trust Bank PLC

256, Sri Ramanathan Mawatha, Colombo 15

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Seylan Bank PLC

Level 8, Ceylinco Seylan Towers,

90, Galle Road, Colombo 03.

Tel: 011 4 701 812, 011 4 701 819

Pan Asia Banking Corporation PLC

Head Office

450, Galle Road, Colombo 03.

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