

M&S Managers & Secretaries (Private) Limited

No.10, Gothami Road, Colombo 08, Sri Lanka.

Telephone : +94 11 2015900

Fax : +94 11 2015950, 2015960

E-mail : ms@msl.lk

Company Reg. No.: PV 5625

14th September 2026

Ms. Nilupa Perera

Chief Regulatory Officer

Colombo Stock Exchange

World Trade Centre

Colombo 01

Dear Madam,

VIDULLANKA PLC – CORPORATE DISCLOSURE – SECTION 8 INITIAL SHARE SUBSCRIPTION IN VIDUL BIOMASS II (PVT) LIMITED AND UPDATE ON THE 6.6MW MEDAWACHCHIYA DENDRO POWER PROJECT

In terms of Section 8 of the Listing Rules of the Colombo Stock Exchange, the Board of Directors of Vidullanka PLC (the "Company") is pleased to announce that the Company has subscribed to 1,000,000 (One Million) Ordinary Shares in Vidul Biomass II (Pvt) Limited for a total consideration of LKR 100,000,000/- (LKR 100 Million).

Vidul Biomass II (Pvt) Limited is the project company which is undertaking to build, own, and operate the proposed greenfield Medawachchiya Dendro Power Project.

The details pertaining to the project and the share subscription are set out below:

1. Project Brief & Capacity

- Project Name: Medawachchiya Dendro Power Plant.
- Location: Medawachchiya, Anuradhapura District.
- Installed Capacity: 6.6 MW Gross/5.0MW Nett.
- Project Scope: The plant is the Group's second biomass-to-energy facility, leveraging the extensive technical and operational expertise developed through our commercially successful 3.3MW Dehiattakandiya Biomass Power Plant in Ampara. The facility is designed to generate reliable, non-intermittent baseload electricity using sustainable fuelwood sourced via established out-grower schemes and local plantations managed by the Group's plantation division.

2. Project Cost, Equity Commitment, and Share Subscription

- Total Project Cost: USD 16.1 Million.
- Total Equity Commitment: Approximately LKR 1,300 Million.
- First Equity Infusion: This share subscription of LKR 100 Million represents the first equity infusion by Vidullanka PLC toward meeting its total equity commitment for the project. The remaining equity commitment and project-level debt will be funded in progressive tranches as construction advances.
- Commissioning Timeline: The project is expected to be formally commissioned and grid-connected by mid of the next financial year (mid-FY 2027/28).

3. Strategic Rationale

Biomass power generation provides stable, continuous baseload power to the national grid. Developing the Medawachchiya project serves as a critical strategic stabilizer for Vidullanka PLC, creating a natural hedge against seasonal variations that affect the power generation from other renewable energy sources, thereby strengthening the Group's overall revenue resilience. Additionally, the project will generate considerable positive economic impact in the Anuradhapura region by expanding the sustainable agricultural out-grower network and supporting rural farming livelihoods.

Yours faithfully

MANAGERS & SECRETARIES (PRIVATE) LIMITED


Director/Secretaries