Annual Report
2025/26

Grit *in the* Grid

Panasian Power PLC

Grit in the Grid

It takes more than vision to power a nation.

It takes grit – the kind that shows up before dawn on a construction site in Thirappane, that brings clean energy solutions to communities in Matara, that completes not one, not three, but seven ground-mounted solar projects in a single financial year.

Panasian Power PLC

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About our Integrated Annual Report

GRI – 2-1

We are pleased to present the Panasian Power PLC ("the Company") Integrated Annual Report 2025/26 ("the Report" or "the Annual Report"), marking the Company's 7th Integrated Annual Report. This Report provides a comprehensive yet concise overview of the Company's financial and non-financial performance for the financial year ended 31 March 2026, and reflects our continued commitment to transparent, accountable, and forward-looking reporting practices.

The Report articulates how Panasian Power PLC creates sustainable value over the short, medium, and long term through the integrated management of financial, manufactured, natural, human, intellectual, and social and relationship capitals. It provides a holistic account of our strategy, performance, governance, and future outlook, while reflecting the increasing importance of environmental, social, and governance (ESG) considerations in shaping our business model and decision-making processes.

This Report also reflects the increasing integration of climate-related considerations into financial and strategic decision-making, recognising their potential impact on the Group's performance, position, and long-term value creation. This includes consideration of climate-related risks and opportunities, particularly those affecting renewable energy generation, regulatory dynamics, and long-term financial resilience.

Building on prior years, this Report further strengthens the integration between financial outcomes and sustainability performance, reflecting the Company's transition towards enhanced ESG disclosure practices. This involves the phased adoption of Sri Lanka Financial Reporting Standards, **SLFRS S1 & S2**, for sustainability and climate-related financial disclosures, improving transparency on how climate-related factors influence revenue generation, cost structures, capital allocation, and risk management processes.

The Integrated Annual Report incorporates relevant Sustainability Accounting Standards Board (SASB) disclosures for the Electric Utilities & Power Generators and Solar Technology and Project Developers sectors, adapted to reflect the Company's Independent Power Producer (IPP) business model. It is also supported by the Company's Environmental, Social and Governance (ESG) Policy, which defines internal governance structures, sustainability priorities, and implementation responsibilities across the Organisation.

Scope and boundary

GRI – 2-2, 2-3, 2-4

This Integrated Annual Report covers the financial and non-financial performance of the Company, its subsidiaries, and joint ventures operating in Sri Lanka – collectively referred to as the Group. The scope includes all material operations related to renewable energy generation, including mini-hydropower and solar photovoltaic (PV) projects, which form the core of the Company's business model.

The Report reflects how the Group creates, preserves, or may potentially erode value through its activities, considering a wide range of internal and external factors, including strategic priorities and stakeholder expectations. These enhancements improve transparency on how climate-related factors influence revenue generation, cost structures, capital allocation, and risk management processes.

The reporting boundary encompasses both financial reporting, aligned with the audited Financial Statements, and non-financial disclosures, including ESG performance, stakeholder engagement, and environmental impacts across operations, supply chains, and communities. This integrated boundary enables a more comprehensive understanding of how climate-related and sustainability factors interact with financial performance and long-term enterprise value.

We aim to manage these complex business relationships and focus on material matters that define our success, including:

Our Business Model (Page 36)	Our Strategy (Page 44)	Our Operating Context (Page 70)
Our material issues (Page 40)	Our stakeholder relationships (Page 64)	

Our key stakeholders include customers, employees, investors, regulators, suppliers, business partners, and the communities within which we operate.

Integrated reporting approach

The Report is prepared in accordance with the International <IR> Framework which emphasises value creation through the effective management of six capitals. This multi-capital approach reflects the interconnected nature of our operations and enables a comprehensive understanding of how different resources and relationships contribute to long-term sustainability.

 Financial capital	 Manufactured capital	 Human capital
 Intellectual capital	 Social and relationship capital	 Natural capital

In line with integrated thinking principles, strategic and operational decisions at Panasian Power PLC are made through a cross-functional and multi-capital lens. Board oversight, enterprise risk management systems, and cross-departmental collaboration ensure that financial, operational, environmental, and social considerations are evaluated collectively.

This approach is further reinforced through the use of balanced performance metrics, combining financial indicators with ESG-related KPIs such as renewable energy generation, emissions avoided, safety performance, and community impact.

Over time, the Company aims to enhance these metrics further to reflect climate-related financial impacts, including variability in generation, operational disruptions, and capital deployment decisions.

During the year, the Company changed its accounting policy from the asset revaluation model to the cost model, resulting in multi year – restatements as well.

Key developments during the year

During the financial year under review, Panasian Power PLC continued to strengthen its renewable energy portfolio and operational resilience through strategic investments and portfolio diversification initiatives.

A key milestone was the commissioning of a 35 MW solar power project, which significantly increased total renewable energy generation and contributed to a substantial rise in avoided carbon emissions. This expansion reflects the Company's strategic shift towards diversifying its energy mix to mitigate hydrological risks associated with climate variability. It also supports revenue stability by reducing reliance on hydropower, which is subject to hydrological variability and climate-related fluctuations.

The Group also progressed with additional renewable energy initiatives, including the development of new solar projects such as the Deniyaya 5 MW Solar Power Project and other pipeline investments, while continuing to optimise existing hydropower assets.

In parallel, the Company experienced climate-related operational challenges, including the impact of the Cyclone Ditwah floods, which affected certain hydro and solar sites. These events had implications for operational continuity and highlighted the increasing financial relevance of climate-related risks to asset performance and generation output. Further, they underscore the importance of climate resilience, adaptive planning, and portfolio diversification as core strategic priorities.

The preparation of this Report was guided by a comprehensive set of local and international frameworks, standards, and regulatory requirements, which form the foundation for consistent, comparable, and decision-useful disclosures across financial and non-financial performance.

Our approach to reporting is guided by the following key frameworks, standards and regulations across different reporting domains:

Financial reporting, governance, and Risk Management and operations

- Sri Lanka Financial Reporting Standards (SLFRS)
- Companies Act No. 07 of 2007
- Listing requirements of Colombo Stock Exchange and subsequent amendments to date
- Code of Best Practice on Corporate Governance (2023) issued by CA Sri Lanka
- Code of Best Practice on Related Party Transactions 2013 issued by SEC

Integrated reporting

- International <IR> Framework
- CA Sri Lanka Integrated Reporting Guidelines

Sustainability reporting

- Global Reporting Initiative (GRI) Standards
- United Nations Sustainable Development Goals (UN SDGs)
- Sustainability Accounting Standards Board (SASB) Standards
- United Nations Global Compact Principles
- SLFRS S1 & S2 (Climate and Sustainability Disclosures – phased adoption)

The integration of these frameworks enables the Company to align its disclosures with global best practices, while ensuring relevance to local regulatory requirements and stakeholder expectations.

The regulations – sustainability reporting

The following section outlines the key sustainability reporting frameworks adopted by the Company, together with the internal and external assurance mechanisms applied to ensure the reliability and credibility of disclosures.

Sustainability frameworks & standards

Global Reporting Initiative (GRI) Sustainability Reporting Standards

Internal assurance

Structured ESG data collection, validation and consolidation systems across operational sites[1]

External assurance

Independent assurance engagement on selected financial and non-financial sustainability indicators

Sustainability frameworks & standards

United Nations Sustainable Development Goals (UN SDGs)

Internal assurance

Organisational carbon footprint assessment conducted in accordance with ISO 14064 to establish baseline emissions[2]

External assurance

Third-party verification of greenhouse gas emissions and selected ESG metrics[3]

Sustainability frameworks & standards

ESG disclosures aligned with the Principles of the United Nations Global Compact

Internal assurance

ESG performance monitoring through internal dashboards and management review mechanisms[4]

External assurance

Independent verification of ESG disclosures by third party.

Sustainability frameworks & standards

Sustainability Accounting Standards Board (SASB) Standards

Internal assurance

Sustainability data disclosed in this Report has been reviewed by management team

External assurance

Selected sustainability indicators were independently assured by external assurance provider

Sustainability frameworks & standards

Disclosure on Gender Parity Reporting issued by CA Sri Lanka

Internal assurance

Gender parity information disclosed in this Report is derived from Company Human Resources Information System (HRIS) is validated by the Human Resources Department

External assurance

N/A

Sustainability frameworks & standards

Sri Lanka Financial Reporting Standards SLFRS S1 & S2 (phased adoption)

Internal assurance

Sustainability related information disclosed in accordance with SLFRS S1 and S2 is reviewed by Board ESG Committee and approved by the Board of Directors

External assurance

Climate-related disclosures prepared in accordance with SLFRS S2 were reviewed by external assurance provider

Note:

[1] Internal systems and processes (how ESG data is collected, validated, and managed)

[2] Methodology and standards applied (how environmental metrics, including emissions, are measured)

[3] External validation (how selected ESG data is independently verified)

[4] Governance and monitoring (how ESG performance is reviewed, controlled, and integrated into decision-making)

The integration of these frameworks supports consistency, comparability, and transparency, while strengthening the Company's ability to provide decision-useful information on climate-related risks and opportunities in line with SLFRS S2.

Materiality and double materiality

A structured and organisation-wide materiality assessment process is used to identify and prioritise the issues that are most significant to the Company and its stakeholders. During FY2025/26, Panasian Power PLC conducted its first formal double materiality assessment with the support of external consultants, incorporating both financial materiality and impact materiality.

This included the identification and prioritisation of climate-related risks and opportunities based on their potential financial impact, and broader environmental and social consequences.

The assessment process comprised:

- Stakeholder surveys covering directors, employees, regulators, suppliers, customers, and local communities
- Benchmarking against local and international peers
- Evaluation across financial, risk, sustainability, and market perspectives

The results are reviewed periodically, with quarterly updates and biannual reporting to Senior Management and the Board, ensuring that material topics remain aligned with evolving stakeholder expectations and operating conditions.

The outcomes of the materiality assessment directly inform strategic priorities, risk management processes, and capital allocation decisions, ensuring that the most significant ESG topics are systematically addressed within core business activities.

Value creation

The Company's value creation model demonstrates how inputs across the six capitals are transformed through business activities into outputs and outcomes that generate sustainable value for stakeholders.

As a renewable energy provider, Panasian Power PLC's value creation is inherently linked to natural capital, particularly water and solar resources, which are critical inputs for energy generation. The Company's ability to sustainably manage these resources, while minimising environmental impact and enhancing social outcomes, is central to long-term value creation. The availability and variability of these resources, influenced by climate conditions, directly impact generation capacity, operational performance, and revenue outcomes.

Integrated reporting recognises that financial performance is closely interconnected with non-financial factors, including environmental stewardship, workforce capability, stakeholder relationships, and innovation. Accordingly, the Company adopts a balanced approach to managing trade-offs between different capitals, such as:

- Investment in long-term renewable projects versus short-term profitability
- Environmental protection versus expansion
- Workforce development versus cost discipline

Accordingly, climate-related risks and opportunities are actively managed through diversification, operational optimisation, and strategic investments to enhance resilience and financial stability.

Precautionary principle

Panasian Power PLC applies the precautionary principle in its decision-making processes, particularly in relation to environmental and social risks. This approach emphasises proactive risk mitigation, even in situations where complete information may not be available, ensuring the long-term sustainability of operations and the protection of ecosystems and communities.

ESG governance and performance oversight

The ESG governance framework is structured around Board-level oversight, supported by the Board Audit and Risk Committee and the ESG Committee, and operationalised through the ESG Management Committee, the ESG Working Group, and departmental focal points. This governance structure also supports the oversight of climate-related risks and opportunities, including their integration into strategy, risk management, and financial planning processes.

ESG performance is monitored through,

- Internal dashboards and management information systems
- KPI tracking across environmental, social, and governance indicators
- Regular reporting to Board sub-committees, including Board Audit, Risk, and ESG Committees

Key ESG metrics include renewable energy generation, emissions avoided, operational efficiency, workplace safety, and community engagement outcomes.

In addition, ESG data is collected, validated, and consolidated through structured internal processes, supported by external verification of selected indicators verified in accordance with ISO 14064 requirements.

Combined assurance

GRI – 2-5

The credibility of the information presented in this Report is supported by a strengthened combined assurance framework, integrating both internal and external assurance mechanisms.

Internally, ESG and financial data are systematically collected, validated, and reviewed at the business unit level, followed by consolidation and oversight by the Corporate Management team and relevant Board subcommittees. This structured approach enhances the reliability, consistency, and traceability of reported information.

Certain ESG disclosures are subject to estimation and methodological assumptions where primary data is not available, and may be refined in future reporting periods as data systems are further strengthened.

Externally, the Financial Statements are audited by Independent Auditors, while selected non-financial indicators – particularly greenhouse gas emissions – are subject to independent verification in accordance with ISO 14064 standards, reinforcing the transparency and credibility of sustainability disclosures.

Board responsibility statements

The Board of Directors acknowledges its responsibility for ensuring the integrity, accuracy, and completeness of this Integrated Annual Report. In discharging this responsibility, the Board has ensured that the Report reflects a balanced and comprehensive assessment of the Company's financial and non-financial performance, including material ESG matters, risks, and opportunities that may influence the Company's ability to create sustainable value over the short, medium, and long term.

The Report has been prepared by the Corporate Management team, reviewed by relevant management committees, and recommended by the Board Audit and Risk Committee before approval by the Board.

Forward-looking statements

This Report contains forward-looking statements relating to the Company's future performance, strategic priorities, and growth prospects.

These statements are based on current expectations, assumptions, and projections, and are subject to a range of risks and uncertainties, including climate variability, hydrological changes, regulatory developments, financing conditions, and broader macroeconomic factors, which may cause actual outcomes to differ materially from those expressed or implied.

The Company continues to enhance its approach to assessing climate-related uncertainties, including the progressive incorporation of scenario-based analysis in line with SLFRS S2.

Continuous improvement and feedback

Panasian Power PLC remains committed to continuously enhancing the quality, relevance, and transparency of its integrated reporting practices.

This includes strengthening the integration of climate-related financial disclosures, improving data quality, and enhancing alignment with SLFRS S2 to provide more decision-useful information to investors and stakeholders.

We welcome feedback from our stakeholders to improve future reports and ensure that they remain decision-useful, transparent, and reflective of stakeholder priorities. Please direct your feedback to:

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Available Forms:

Panasian Power PLC – Annual Report 2025/26

Print available on request

An electronic version is available on the Company's website.



About Us

GRI – 2-6

At Panasian Power PLC (PAP), we harness renewable resources to deliver sustainable energy solutions that power industries, support communities and contribute to a more resilient energy landscape. As a renewable energy producer with a diversified hydro and solar portfolio, our operations are inherently linked to climate conditions, creating both risks and opportunities that influence performance, strategy and long-term value creation.

Since its inception, the Company has evolved from a renewable energy developer and independent power producer into an integrated energy solutions provider. In addition to developing and operating hydro and solar power projects, the Company is now engaged in Engineering, Procurement, and Construction (EPC) services, enabling the delivery of end-to-end energy solutions.

The Company's current operations – in Sri Lanka (energy generation), with an emerging regional EPC footprint (Maldives, Bangladesh) – contribute to the national grid through a diversified renewable energy portfolio comprising mini-hydro, ground-mounted solar and rooftop solar power plants.

Our mission is to support the transition towards a cleaner, greener and more reliable energy system. By combining advanced technology with a disciplined approach to project development and operations, we deliver solutions that meet evolving energy needs while maintaining a strong focus on environmental responsibility. In this context, climate-related factors are embedded into operational and strategic decision-making, reflecting their growing relevance to long-term performance and financial resilience.

Climate-related considerations are embedded into financial planning, risk assessment, and investment decision-making processes, reflecting their increasing impact on revenue generation, operational efficiency, and long-term enterprise value.

Panasian Power PLC is a publicly quoted company with limited liability, incorporated under the Companies Act No. 17 of 1982 on 22 April 2002, and re-registered under the Companies Act No. 07 of 2007 on 03 December 2008. The Company obtained Board of Investment (BOI) approval under Section 17(2) of the BOI Law No. 04 of 1978 on 26 November 2008.

Capacity and growth

GRI – 2-28

During the financial year under review, the Company continued to expand its renewable energy portfolio. As at the end of the year, the total installed capacity stood at 58.3 MW – a significant increase from 23.3 MW in the previous year – reflecting a 150% growth in operational capacity driven by disciplined project execution.

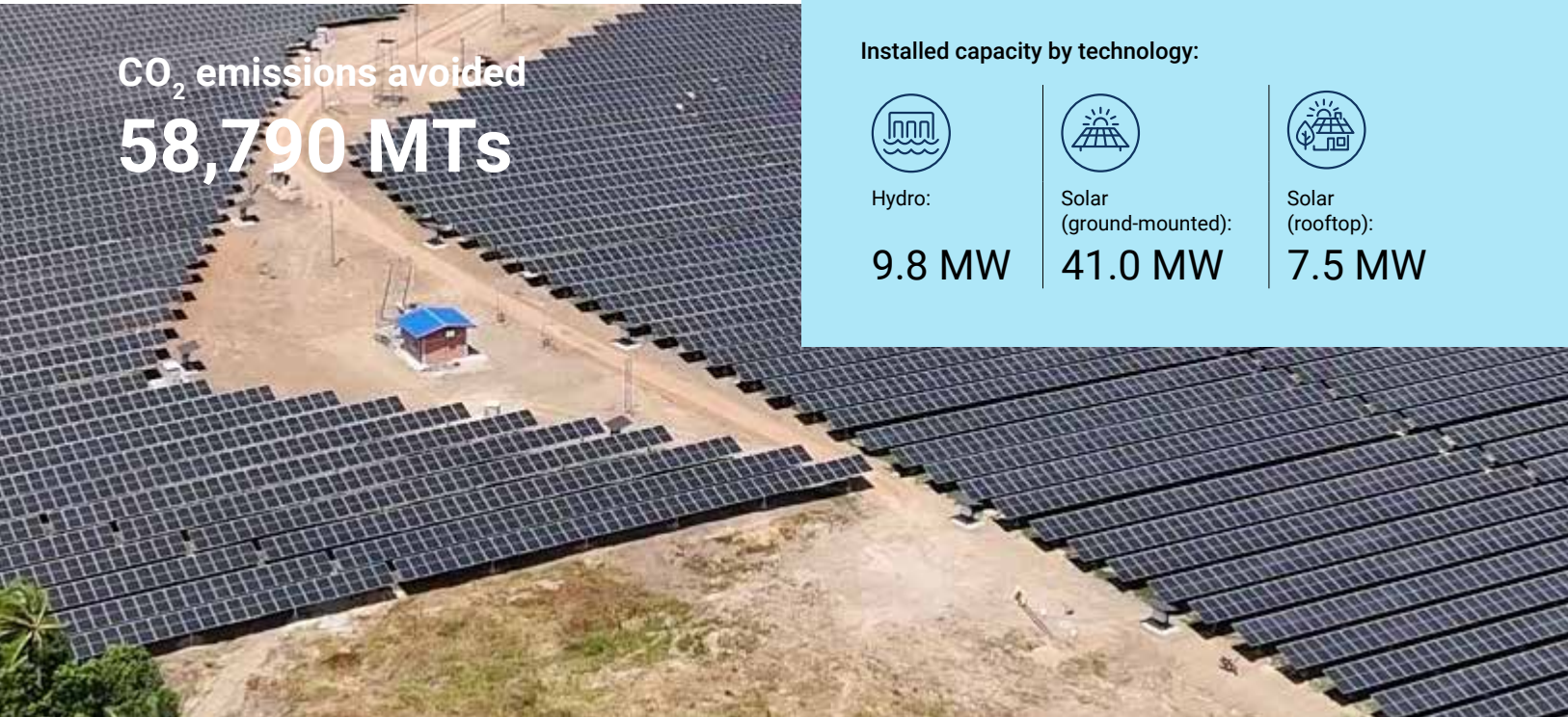
This expansion not only strengthens generation capacity but also enhances portfolio resilience by diversifying energy sources and reducing exposure to climate variability, particularly hydrological fluctuations that impact hydro generation.

Our operational portfolio consists of 29 renewable energy projects, comprising:

3	13	13
Mini-hydro projects	Ground-mounted solar projects	Rooftop solar projects

Installed capacity by technology:

Hydro:	Solar (ground-mounted):	Solar (rooftop):
9.8 MW	41.0 MW	7.5 MW



During the year, the Company commissioned seven new ground-mounted solar projects, which collectively contribute approximately 35 MW of additional capacity to the national grid.

The Company continues to support environmental sustainability through renewable energy generation, reducing greenhouse gas emissions, enhancing energy security, and achieving an estimated 58,790 MTs of CO_2 emissions avoided.

Beyond environmental contribution, these outcomes also support long-term economic value by aligning with national energy transition priorities, enhancing regulatory alignment and strengthening the Company's positioning within a low-carbon economy.

Business model

The Company operates as an Independent Power Producer (IPP), supplying electricity exclusively to the national grid under long-term Power Purchase Agreements with the National System Operator (Pvt) Ltd, a state-owned company established in 2025 as part of the Ceylon Electricity Board (CEB) restructuring in 2025, with no direct retail customer base. This structure results in exposure to a single off-taker and reinforces the financial relevance of climate-driven generation variability, consistent with emerging SLFRS S2 disclosure expectations on climate-related financial impacts. The model is further strengthened through asset ownership and lifecycle operation of renewable energy infrastructure, ensuring sustained value creation over time.

This model supports predictable cash flows, while diversification across hydro and solar assets mitigates climate variability in generation and revenue. It also strengthens financial stability and enhances resilience to climate-related risks such as hydrological fluctuations and solar resource variability.

Value creation model

PAP creates value by converting natural capital into electrical energy, while actively managing climate-related risks and opportunities. Through diversification, operational optimisation, and strategic investment, the Group enhances resilience, supports stable financial returns and contributes to national energy security.

Climate-related risks and opportunities, particularly those associated with hydrological variability and solar resource dependency, are integrated into strategic planning, capital allocation decisions, and operational optimisation, to enhance financial resilience and long-term value creation.

Our vision

We only have one planet, and the widespread use of fossil fuels has caused irreparable damage to it. We want to protect the environment by becoming a leader in diversified sustainable renewable energy solutions in the Global South.

Our mission

PAP produces clean, renewable energy from hydro, solar and other renewable sources in Asia.

We own and manage projects that are best-in-class from a technology, design and efficiency point of view, and provide market-leading returns through innovative financing solutions. We are the preferred partner for customers, suppliers, employees and investors.

We value fair compensation, room to grow, and training for a healthy, creative work environment and respect for diversity. We care for our communities and environment actively. We are an innovative and dynamic energy solutions provider.

Our values

- **Accountability –** Responsibility to all our stakeholders
- **Bias for Action –** We are driven to deliver results efficiently
- **Integrity –** Acting with honesty, transparency and respect
- **Innovative –** Developing solutions beyond conventional boundaries
- **Passion –** Commitment to renewable energy solutions
- **Quality –** Delivering excellence in all our operations

Strategic differentiators

The Company's strategy is supported by key differentiators that enable sustainable value creation:

- Integrated energy solutions model including EPC capabilities
- Diversified renewable portfolio across hydro and solar
- Expansion of solar portfolio through multiple new projects
- Strong focus on sustainable and reliable energy solutions
- Employee-focused value proposition
- Robust corporate governance framework
- Portfolio diversification strategy to manage climate-related risks and enhance revenue stability

Climate risk exposure

The Company's operations are exposed to climate variability, particularly impacting hydro generation and revenue stability. This is being actively mitigated through portfolio diversification into solar energy and the future integration of battery energy storage solutions. These climate-related risks may have financial implications through variability in hydro generation output, revenue volatility, and potential operational disruptions, thereby directly influencing the Company's cash flows, asset performance, and long-term financial resilience.

Clean Energy Generated

91.31 GWh

Group revenue

LKR 2,008 Mn.

Total no. of employees

122

Total Installed capacity

58.3 MW



Our commitment to excellence

The Company remains committed to maintaining high standards of operational excellence across all its activities. This is reflected in the reliability of its operations and the continued expansion of its renewable energy portfolio.

During the year, the Company invested LKR 2 Mn. in community development initiatives, reinforcing its commitment to social responsibility and inclusive growth.

Sustainability

Sustainability remains a core pillar of PAP's long-term strategy. Through its renewable energy operations, the Company contributes directly to reducing environmental impact while supporting national and global sustainability goals. Total emissions avoided during the year amounted to 58,790 tCO_2e, reflecting the Company's continued contribution to climate action.

In addition, climate-related risks and opportunities are increasingly integrated into strategy, risk management processes and capital allocation decisions, supporting long-term resilience and alignment with emerging climate-related disclosure frameworks, including SLFRS S2.

Creating value for all stakeholders

The Company's activities extend beyond energy generation, contributing to broader economic and social development, including supporting communities and strengthening energy security.

Total workforce strength as at year-end stood at 122, reflecting the Company's ongoing investment in human capital.

A pioneering force in Sri Lanka's renewable energy sector, Panasian Power PLC continues to advance the country's sustainable development through innovative and environmentally responsible energy solutions. Harnessing the abundant natural resources across Sri Lanka, PAP's expertise lies in generating renewable energy while empowering communities, supporting economic growth and protecting the environment.

Integrating state-of-the-art technology, international standards and global know-how, PAP has expanded its project portfolio in 2025/26. Key initiatives include:

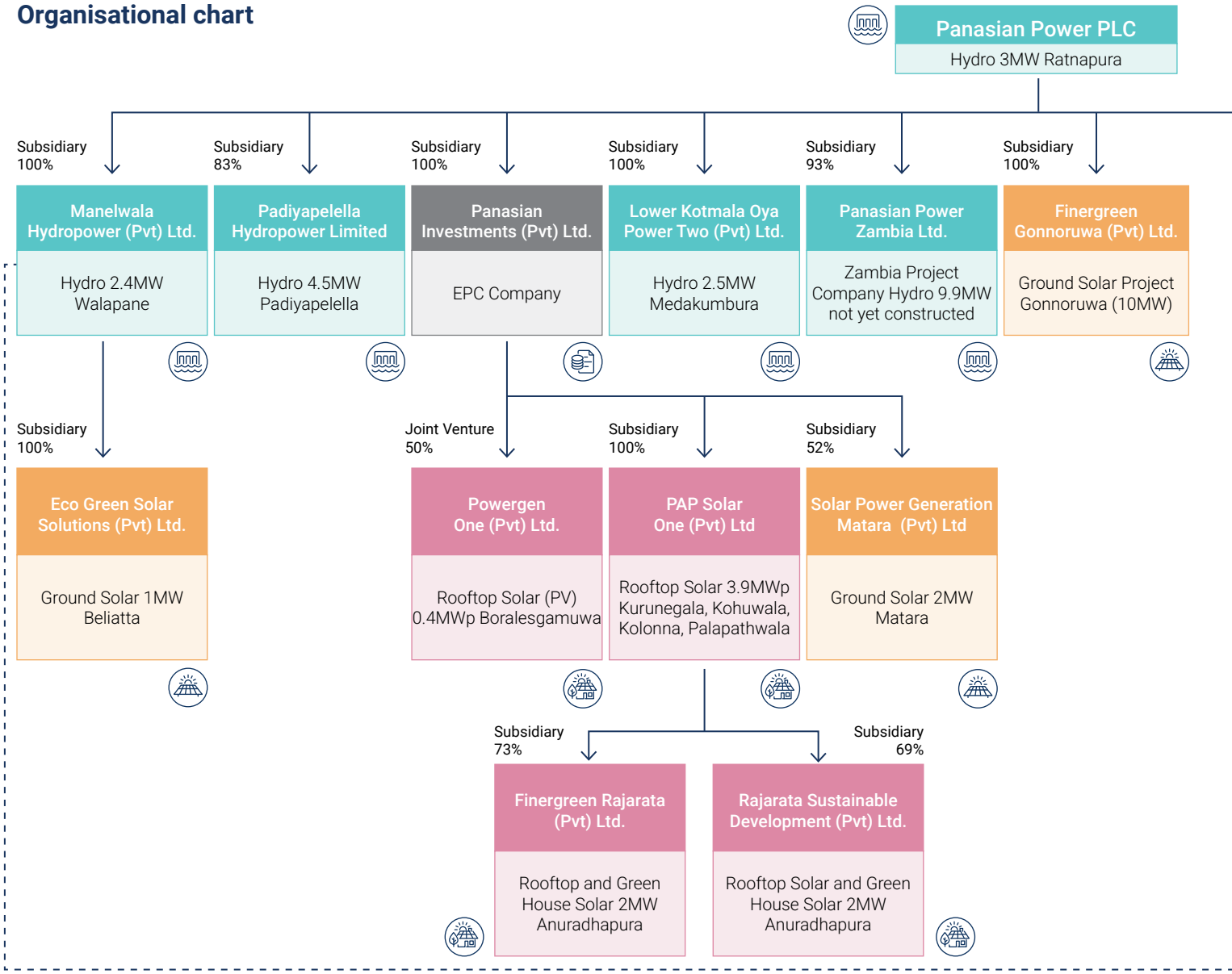
- **PAP EGSS Solar (Pvt) Ltd** – 15 MW ground-mounted solar at Anuradhapura, Galle (Baddegama) and Galle (Hiyare) (5 MW each)
- **PAP MHPL Solar (Pvt) Ltd** – 10 MW ground-mounted solar at Kurunegala and Ampara (5 MW each)
- **PAP PTS Solar (Pvt) Ltd** – 10 MW ground-mounted solar at Maho and Matara (5 MW each)

Collectively, these 7 projects contribute a total of 35 MW to the national grid, helping to relieve grid pressure and accelerate renewable energy adoption across the country. By investing in cutting-edge infrastructure and leveraging strategic partnerships, PAP demonstrates its commitment to social responsibility and sustainable development beyond energy generation and profit maximisation.

PAP remains aligned with the medium and long-term energy targets of the Government of Sri Lanka, aiming to fully convert its energy portfolio to renewable sources by 2050, with 70% of this goal expected to be achieved by 2030. By fostering innovation, upholding transparency and prioritising sustainability, PAP continues to illuminate the path towards a clean, green and resilient energy future.

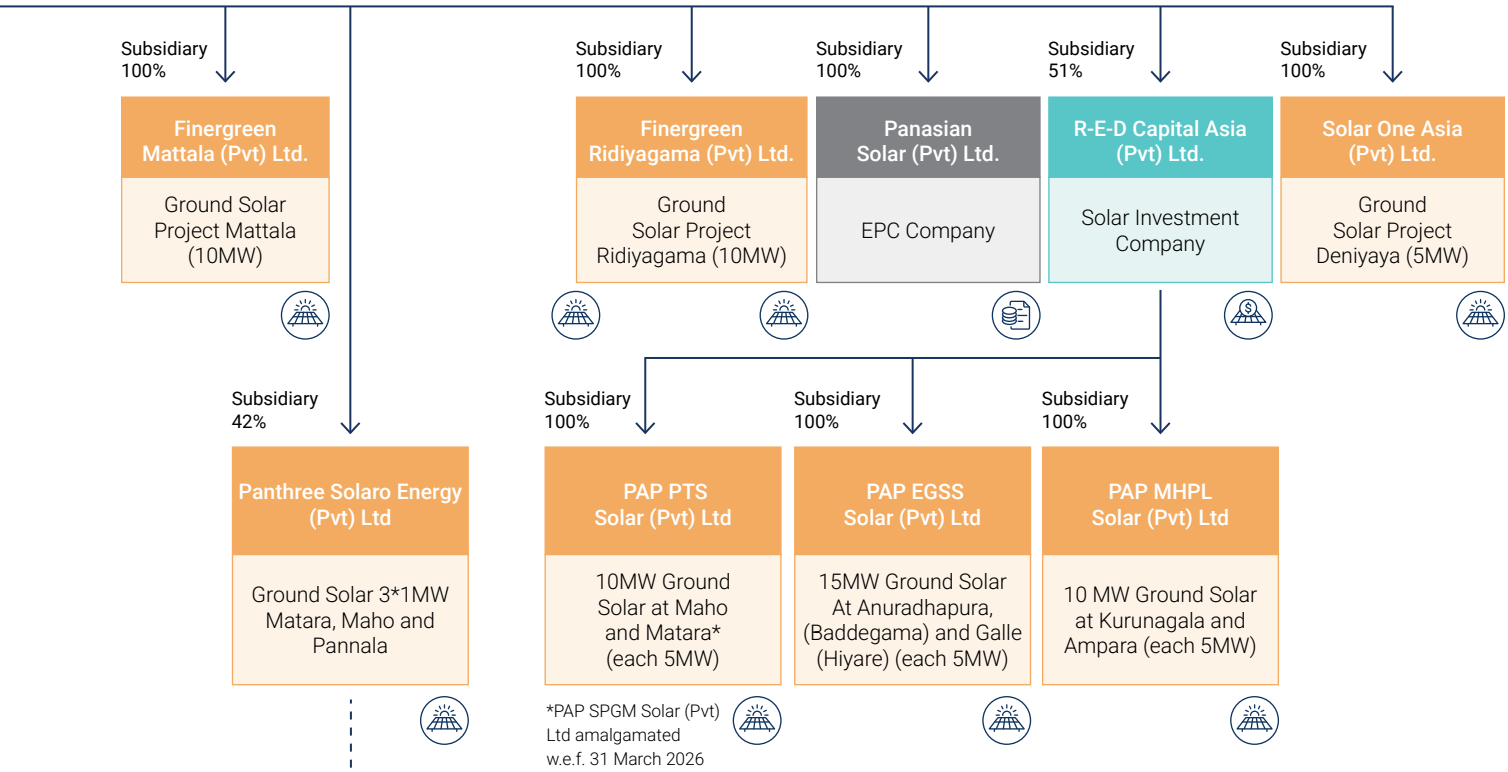
This expansion also supports long-term operational resilience, reducing the reliance on climate-sensitive hydro generation and strengthening revenue stability through a more balanced energy mix.

Organisational chart








Subsidiary 100%
Finergreen Mattala (Pvt) Ltd.
Ground Solar Project Mattala (10MW)
Subsidiary 100%
Finergreen Ridiyagama (Pvt) Ltd.
Ground Solar Project Ridiyagama (10MW)
Subsidiary 100%
Panasian Solar (Pvt) Ltd.
EPC Company
Subsidiary 51%
R-E-D Capital Asia (Pvt) Ltd.
Solar Investment Company
Subsidiary 100%
Solar One Asia (Pvt) Ltd.
Ground Solar Project Deniyaya (5MW)
Subsidiary 42%
Panthree Solaro Energy (Pvt) Ltd
Ground Solar 3*1MW Matara, Maho and Pannala
Subsidiary 100%
PAP PTS Solar (Pvt) Ltd
10MW Ground Solar at Maho and Matara* (each 5MW)
*PAP SPGM Solar (Pvt) Ltd amalgamated w.e.f. 31 March 2026 with PAP PTS Solar (Pvt) Ltd
Subsidiary 100%
PAP EGSS Solar (Pvt) Ltd
15MW Ground Solar At Anuradhapura, (Baddegama) and Galle (Hiyare) (each 5MW)
Subsidiary 100%
PAP MHPL Solar (Pvt) Ltd
10 MW Ground Solar at Kurunagala and Ampara (each 5MW)





Project Portfolio

GRI – 302-1

We operate an integrated model across development, construction, operations, and energy management. Our commitment to sustainability and innovation strengthens our ability to deliver reliable, clean, and sustainable energy solutions. The Group's renewable energy portfolio comprises hydropower and solar assets with distinct climate-related performance characteristics.

Mini hydro power projects



Project location	Rathganga	Manelwala	Padiyapelella
Year of commissioning	2004	2008	2017
Capacity (MW)	**3**	**2.4**	**4.4**
Operational highlights 2025/26			
Power generation (kWh)	12,183,708	4,570,000	9,603,185
Plant factor (%)	46.36	21.7	24.9
Reduction in CO_2 (MT)	9,045	3,392	7,129

The observed variability in generation and plant factors between reporting periods reflects hydrological conditions, which relate to variability in rainfall and water flow levels. This represents a key physical climate risk, which may influence generation output, revenue stability, and asset performance under changing climate conditions.

Ground mounted solar power projects



Project location	Anuradhapura	Maho	Kurunegala	Hiyare	Ampara	Matara	Baddegama
Date of commissioning	06 Jun. 2025	20 Jun. 2025	14 Jul. 2025	29 Aug. 2025	17 Oct. 2025	17 Nov. 2025	30 Dec. 2025
Capacity (MW)	5	5	5	5	5	5	5
Operational highlights 2025/26							
Power generation (kWh)	8,081,320	7,329,033	6,674,521	4,710,149	3,489,361	3,176,166	2,159,962
Plant factor (%)	18.11%	17.23%	17.14%	13.57%	13.03%	14.61%	14.47%
Reduction in CO_2 (MT)	6,044	5,481	4,992	3,522	2,609	2,375	1,615

Project location	Beliatta	Matara 1	Matara 2	Matara 3	Maho	Pannala
Year of commissioning	2019	2021	2021	2021	2021	2022
Capacity (MW)	1	1	1	1	1	1
Operational highlights 2025/26						
Power generation (kWh)	1,170,811	1,459,715	1,649,470	1,511,594	1,402,386	888,111
Plant factor (%)	13.3%	16.6%	18.8%	17.2%	17.7%	11.2%
Reduction in CO_2 (MT)	869	1,084	1,224.5	1,122	1,041.1	659

The Group's expanded ground-mounted solar portfolio demonstrated relatively stable operational performance compared to hydropower generation, although generation output remained influenced by climate-related factors such as solar irradiation variability, cloud cover, seasonal weather patterns, and project commissioning timelines during the year. These factors continue to be considered within operational forecasting, energy generation planning, and long-term sustainability assessments.

Rooftop solar power projects



Project location	Boralesgamuwa	Kolonna	Kohuwala	Palapathwala	Narammala	Uhumeeya
Year of commissioning	2018	2018	2018	2019	2019	2019
Installed capacity (kW)	350	250	300	600	233	550
Operational highlights 2025/26						
Power generation (kWh)	215,426	239,269	345,114	451,047	159,117	335,565
Plant factor (%)	8.2	10.9	13.1	8.5	7.7	7
Reduction in CO_2 (MT)	160	178	256	325	118	249

Project location	Malsiripura	Mawathagama ECO	Mawathagama Foundation
Year of commissioning	2019	2019	2019
Installed capacity (kW)	300	583	400
Operational highlights 2025/26			
Power generation (kWh)	323,204	562,003	323,804
Plant factor (%)	12.2	11	7
Reduction in CO_2 (MT)	176	417	177

Rooftop solar green house projects



Project location	RSD Maradankadawala	RSD Thirappane	FGR Maradankadawala	FGR Thirappane
Year of commissioning	2020	2021	2020	2021
Installed capacity (MW)	**1**	**1**	**1**	**1**
Operational highlights 2025/26				
Power generation (kWh)	1,507,373	1,510,443	1,518,572	1,573,994
Plant factor (%)	17.2	17.2	17.5	18
Reduction in CO_2 (MT)	1,119	1,120	1,123	1,168.50

Our Journey

Since its inception, Panasian Power PLC has steadily evolved into a leading renewable energy provider in Sri Lanka, marked by strategic expansion across hydro and solar energy segments.

Our journey is defined by strategic expansion. What began as a corporate incorporation in 2002 has evolved into a robust network of hydro and solar assets, backed by international development funds and world-class technology partnerships.

2002

- Company incorporated

2004

- Commissioned Rathganga Mini Hydro Power Plant (initial 2 MW, later expanded to 3 MW)

2008

- Commissioned Manelwala Mini Hydro Power Plant (2.4 MW)

2011

- Panasian Power converted to a Public Limited Company

2014

- Expanded Rathganga Mini Hydro Plant by an additional 1 MW

2017

- Commissioned Padiyapelella Mini Hydro Power Plant (3.5 MW)

2018

- Commissioned first rooftop solar projects at Kolonna, Kohuwala, and ODEL Boralesgamuwa

2019

- Commissioned first ground-mounted solar project at Beliatta (1 MW)
- Secured strategic investment from Emerald Fund (JV of IFC, DEG, FMO, and NDB)
- Initiated feasibility studies for 9.9 MW Zambia mini-hydro project
- Commissioned six rooftop solar projects at Uhumeeya, Palapathwala, Malsiripura, Narammala, and Mawathagama

2020

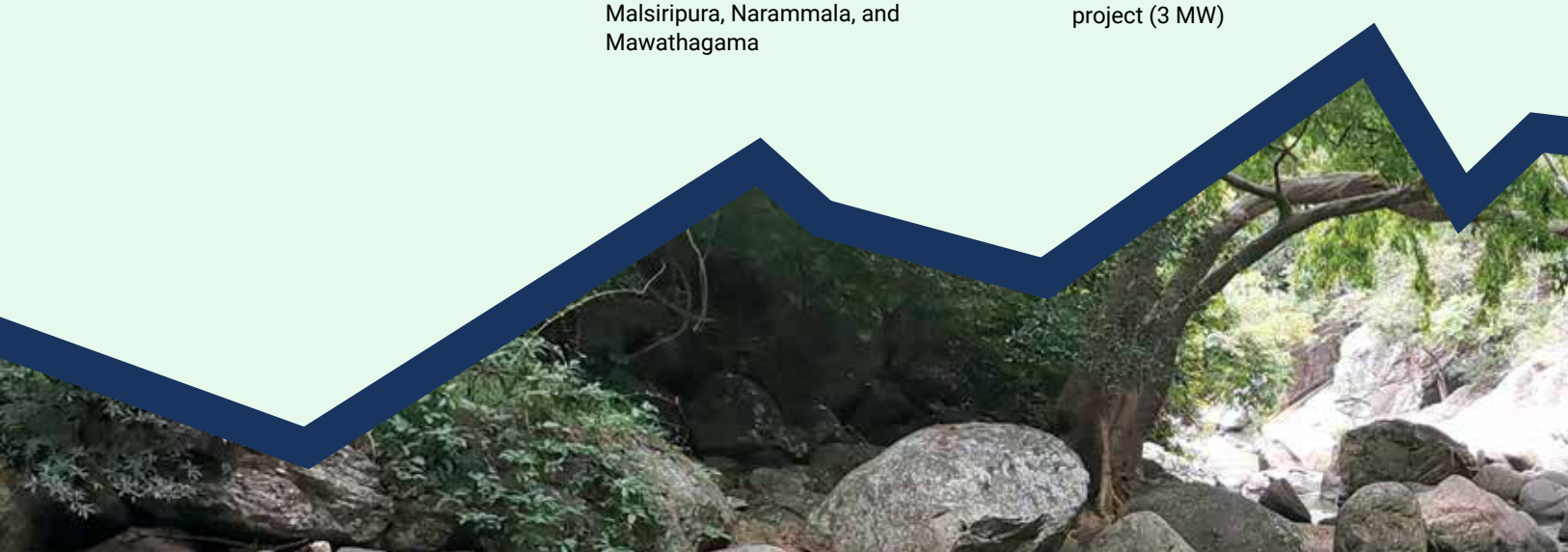
- Appointed exclusive channel partner for Sungrow Inverters in Sri Lanka
- Commissioned two rooftop greenhouse solar projects (1 MW each) at Maradankadawala

2021

- Commissioned Maho ground-mounted solar project (1 MW)
- Commissioned three ground-mounted solar projects at Matara (1 MW each)
- Commissioned two rooftop greenhouse Solar Projects (1 MW each) at Thirappane

2022

- Commissioned Pannala ground-mounted solar project (1 MW)
- Signed Power Purchase Agreement (PPA) for revised tariff for Padiyapelella Phase 2 hydropower project (3 MW)



From foundational agreements to active clean energy generation, our recent milestones reflect an aggressive expansion strategy that successfully brought seven major 5 MW solar projects online while optimising our hydropower capacity.

2023

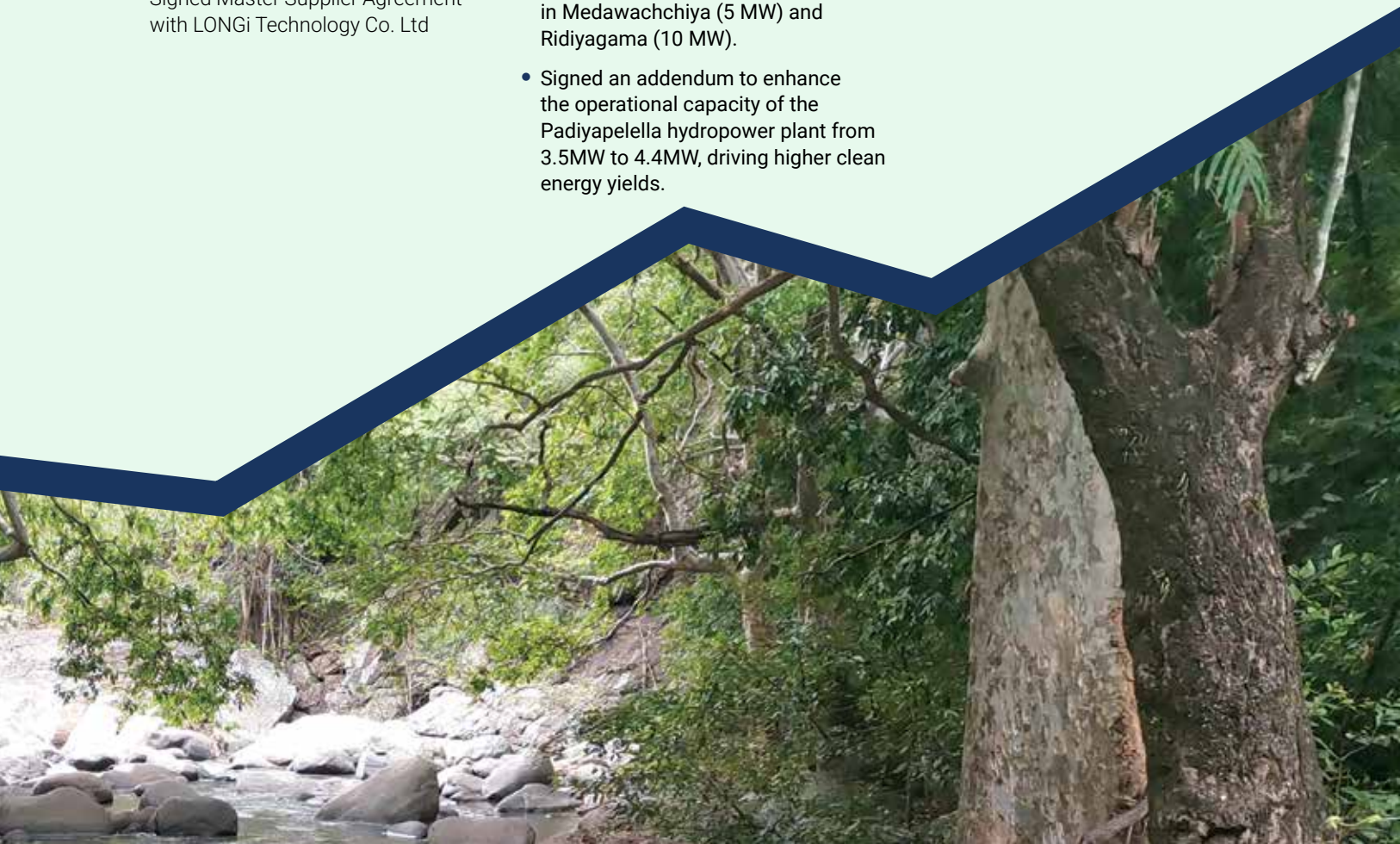
- Signed Letters of Intent for multiple 5 MW ground-mounted solar projects across Galle (Baddegama, Hiyare), Kurunegala, Anuradhapura, Maho, Matara, and Ampara
- Incorporated multiple project companies:
  - PAP MHPL Solar (Pvt) Ltd.
  - PAP EGSS Solar (Pvt) Ltd.
  - PAP PTS Solar (Pvt) Ltd.
  - R-E-D Capital Asia (Pvt) Ltd.
  - Signed Master Supplier Agreement with LONGi Technology Co. Ltd

2024

- Successfully signed Power Purchase Agreements (PPAs), secured financial closure, and commenced construction for seven 5MW ground-mounted solar projects across Ampara, Anuradhapura, Kurunegala, Maho, Matara, and Galle (Baddegama and Hiyare).
- Further expanded the solar portfolio by securing the 5MW ground-mounted project in Deniyaya, while successfully obtaining energy permits for upcoming developments in Medawachchiya (5 MW) and Ridiyagama (10 MW).
- Signed an addendum to enhance the operational capacity of the Padiyapelella hydropower plant from 3.5MW to 4.4MW, driving higher clean energy yields.

2025

- Expanded focus towards Battery Energy Storage System (BESS) solutions by introducing advanced SUNGROW hybrid inverter technologies, supported by ongoing partnerships with solar tech providers and funding partners.
- Successfully commissioned seven 5MW ground-mounted solar projects across Anuradhapura, Kurunegala, Maho, Matara, Ampara, and Galle (Baddegama and Hiyare), with all corresponding Power Purchase Agreements (PPAs) secured under the national renewable energy framework.
- Strengthened the future generation pipeline by signing Letters of Intent (LOIs) for upcoming ground-mounted solar developments, including a 5MW project in Deniyaya and a 10 MW project in Ridiyagama.



Awards and Accolades

ISO 45001:2018
Occupational Health and safety Management System



TAGS Awards 2025
Power and Energy Sector – Gold Award by the Institute of Chartered Accountants of Sri Lanka

Sri Lanka Clean Energy Week Awards 2025
Business Excellence – Company of the year – Pioneer in clean energy

ISO 14000:2015
Environmental Management System

Sri Lanka Clean Energy Week Awards 2025
Business Excellence – Company of the year – Diversified renewable energy solutions

Performance Highlights

GRI – 302-3

Earnings highlights and ratio	Metric	2026	2025	Change (%)
Revenue	LKR	2,008,277,141	1,382,655,766	45
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	LKR	1,222,419,928	756,012,664	62
Results from operating activities (EBIT)	LKR	931,697,079	593,283,027	57
Profit before tax	LKR	495,685,323	404,878,879	22
Income tax	LKR	1,118,663,419	(132,523,476)	-944
Profit after tax	LKR	1,614,348,742	272,355,401	493
Profit attributable to owners of the parent	LKR	836,725,690	249,758,129	235
Dividend	LKR	0.20	–	
Gross profit margin	%	66	62	6
Operating profit margin	%	46	43	9
Net profit margin	%	80	20	308
Earnings per share (basic)	LKR	1.34	0.40	235
Return on assets (ROA)	%	21	5	280
Return on capital employed	%	11	13	(12)
Return on equity (ROE)	%	54	17	212
Interest cover	No of times	2.01	2.57	(22)
Financial position highlights and ratios				
Total assets	LKR	9,661,173,973	6,074,371,058	59
Total debts	LKR	6,034,724,543	3,197,083,465	89
Equity attributable to equity holders of the parent	LKR	2,166,974,494	1,454,616,615	49
Stated capital	LKR	1,030,000,000	1,030,000,000	0
Revenue reserve	LKR	1,136,974,494	424,616,615	168
Gearing	%	67	67	(1)
Debt/equity	%	203	204	(2)
Net assets per share	LKR	3.47	2.33	49
Current ratio	No. of times	0.88	1.13	(22)
Quick assets ratio	No. of times	0.79	1.06	(25)
No. of shares in issue	No.	625,000,000	625,000,000	0
Market/shareholder information				
Market value per share	LKR	19.60	6.90	184
Dividend per share	LKR	0.20	–	100
Company market capitalization	LKR	12,250,000,000	4,312,500,000	184
Price earnings ratio	No. of times	14.64	17.27	(15)
Dividend yield ratio	%	1.02	–	100
Dividend payout ratio	%	15	–	100
Dividend cover	No. of times	6.7	–	100
Other				
Economic value generated	LKR	2,166,047,223	1,613,365,386	34
Economic value distributed				
Government	LKR	186,021,032	193,074,443	(4)
Employees	LKR	228,441,518	161,701,133	41
Others	LKR	1,124,060,962	865,340,552	30
Average revenue per employee	LKR	16,461,288	12,922,017	27



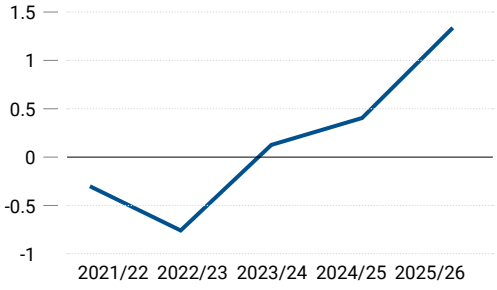
Review of 2025/26

Panasian Power PLC delivered a strong financial performance during the year, recording profit after tax exceeding LKR 1.6 Bn., representing growth of over 100% compared to the previous year. This performance was supported by a 45% increase in revenue, with the solar power sector emerging as a key contributor to profitability growth.

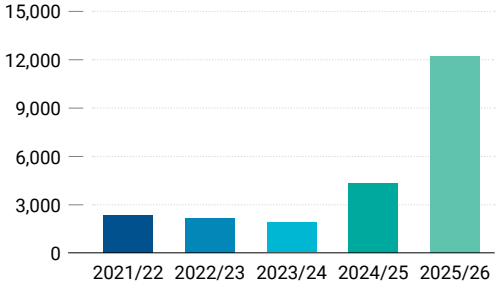
The Group's results were driven by the successful execution of strategic initiatives, further supported by the gradual stabilization of macroeconomic conditions. During the year, the Group also recorded a 59% growth in total assets, primarily attributable to capital investments across key business verticals. These investments reflect the Group's confidence in the long-term business outlook and reinforce its commitment to strengthening future earnings potential and sustainable growth.

Valuation metric

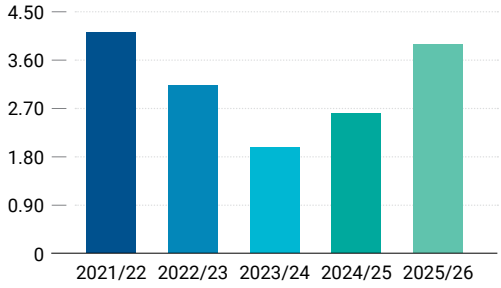
Earnings Per Share (LKR)



Market Capitalisation (Mn.)

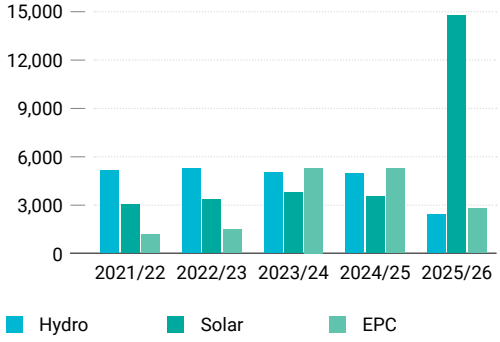


Net Assets Per share (LKR)

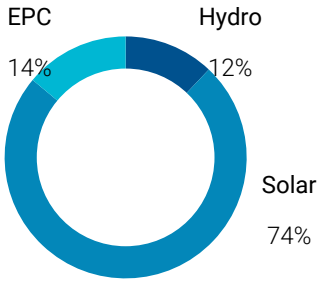


Highlights of the Year

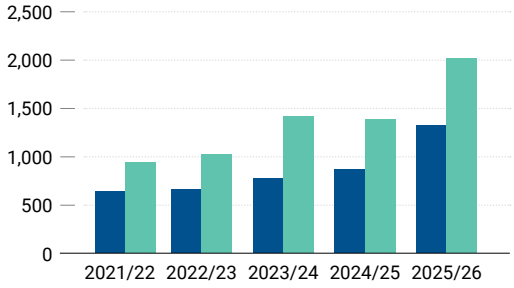
Group Revenue Mix (Mn.)



Energy Intensity 2026 (%)

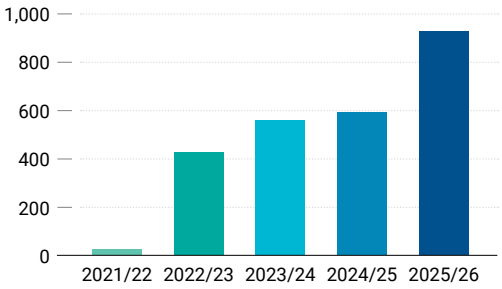


Revenue Vs Gross Profit (LKR Mn.)



Earnings before interest and taxation

(LKR Mn.)





Leadership Messages

Chairman's Statement

GRI – 2-22



We are building a resilient and adaptive renewable energy platform, positioned to manage environmental and market variability, while delivering sustainable long-term value through disciplined execution and strategic investment.

The year under review reflects a strong and resilient performance by Panasian Power PLC (PAP), delivered within a stabilising macroeconomic environment and an evolving renewable energy landscape. Against the backdrop of economic conditions supported by fiscal and monetary measures, the Company advanced its strategic priorities while maintaining focus on disciplined execution and long-term value creation.

Our performance during the year was shaped by operational progress and broader economic conditions experienced in recent years. Within this context, PAP strengthened its position as a renewable energy developer and operator, advancing its portfolio while responding to changing regulatory, environmental, and market conditions.

The year also reflected a continued growth trajectory, supported by the expansion of the generation base and the execution of key projects. This progress underscores the importance of maintaining a balanced and adaptable portfolio, enabling PAP to operate effectively across varying environmental and economic conditions.

Financially, the Company delivered revenue: LKR 2,008 Mn. and profit after tax: LKR 1,614 Mn., demonstrating the combined impact of portfolio expansion, generation performance, and prevailing operating conditions.

As we continue to build scale and diversify our portfolio, our focus remains on strengthening resilience, enhancing execution capabilities, and positioning PAP to deliver sustainable long-term value within Sri Lanka's transitioning energy sector.

Operating environment influences execution and investment outcomes

The renewable energy sector continues to expand globally, although growth is increasingly influenced by regulatory frameworks, financing conditions, infrastructure readiness, and broader geopolitical factors. In Sri Lanka, renewable energy development is guided by national targets, with implementation influenced by regulatory processes, approval timelines, and

prevailing investment conditions. Our strategy remains aligned with this direction, with a focus on advancing projects within established regulatory and market conditions.

Project execution within this environment is closely linked to the consistency of regulatory processes, the efficiency of approval mechanisms, and access to financing. These factors are embedded within our governance and project evaluation processes, and remain key determinants of execution timelines, cost structures, and investment outcomes. Accordingly, changes in these external conditions influence project viability, capital allocation decisions, and the timing of expected returns.

Portfolio diversification reduces operational interdependence and increases stability

Our portfolio comprises hydropower, rooftop solar, and ground-mounted solar assets. While hydropower remains important, our strategic focus is increasingly on expanding our solar footprint to manage hydrological dependencies and support long-term resilience. Our performance during the year was driven by strong execution in solar expansion alongside the increasing operational relevance of climate-related events.

A key milestone was the commissioning of seven ground-mounted solar power projects, adding approximately 35 MW to our portfolio and the national grid. These projects, secured during 2022 to 2024, and delayed due to prevailing economic and operating conditions, were commissioned by October–November 2025, representing one of the most significant capacity expansions in PAP's history.

This expansion strengthened our solar contribution and supported a more balanced portfolio, reducing the reliance on hydropower and associated hydrological variability. A more diversified energy mix enables PAP to operate across varying environmental conditions, improving stability and reducing dependence on a single generation profile.

During the year, Cyclone Ditwah and associated flooding affected two upcountry hydropower projects and one solar project in Pannala, resulting in temporary disruptions subject to assessment, repair, and insurance processes. These events highlighted how climate-related disruptions can affect generation, revenue recognition, and profitability, reinforcing the importance of resilience planning and disciplined project screening.

We will continue to pursue renewable energy investments with a focus on solar, while considering hydropower where viable. Our pipeline includes mid-sized solar developments, subject to feasibility and market conditions, alongside the evaluation of complementary business opportunities dependent on policy clarity and the broader investment environment.

Risk and governance frameworks support resilience and decision-making

Regulatory developments, tariff structures, climate variability, imported equipment costs, and access to financing continue to shape our risk environment and inform decision-making.

As a listed entity, we operate within an established governance framework, with oversight of compliance, risk management, and performance at both Management and Board levels.

Climate screening and resilience considerations are embedded in our project evaluation processes, including assessments of geological, environmental, hydrological, and community factors, alongside required regulatory approvals.

ESG and climate-related risks are progressively integrated into our risk management processes, encompassing identification, assessment, and ongoing monitoring. During the year, we also initiated the adoption of SLFRS S1 & S2 standards, with external advisory support, to strengthen our sustainability and climate-related financial disclosures. This integrated approach supports a clearer understanding of how environmental and external factors may influence operational performance, capital allocation, and long-term financial outcomes.

Sustainability practices enhance responsible operations

Sustainability remains embedded in our business model through the generation of renewable energy. Our focus is on delivering clean energy whilst managing environmental and social considerations across all project locations.

Our approach is supported by structured project-level assessments and approvals, including land, hydrology, and community factors. These processes ensure that projects are developed in alignment with regulatory requirements and local environmental conditions.

During the year, we also continued our community support initiatives, including assistance provided in response to climate-related events affecting employees and local communities.

Strategic priorities shaping direction towards 2030

Looking ahead, PAP remains confident in its strategic direction and role within Sri Lanka's renewable energy sector.

Our priorities towards 2030 are clear. We will continue to expand renewable energy capacity, with solar remaining a key driver of growth, while strengthening portfolio diversification, embedding climate risk screening into project development, and enhancing governance and reporting maturity. These priorities remain aligned with national energy targets and PAP's long-term growth ambitions.

We will also explore opportunities to strengthen our financing position, including access to alternative funding mechanisms and international rating pathways to support broader financing options.

Over time, a stronger integration of operational, climate, and financial data will support improved decision-making, investor confidence, and long-term value creation. Strengthening data capture, analysis, and performance monitoring remains a key area of focus.

Beyond expansion, our focus remains on disciplined execution, prudent capital allocation, and strengthening our ability to operate effectively in an increasingly complex and climate-influenced environment.

Sincere gratitude to all our stakeholders

The year under review has demonstrated both the opportunities and challenges inherent in the renewable energy sector. While the successful execution of key projects reflects the strength of our strategy, the evolving operating environment underscores the importance of adaptability and effective execution.

I extend my sincere appreciation to government authorities, including the Sri Lanka Sustainable Energy Authority (SEA), the National System Operator (Pvt) Ltd (NSO) (formerly known as CEB), the Ministry of Energy, the Central Environment Authority (CEA), Ministry of Agriculture, Livestock, Land and Irrigation, and other institutions that continue to support the expansion of renewable energy in Sri Lanka.

I acknowledge the continued contribution of our parent company, R I L Property PLC, whose guidance and commitment have been integral to PAP's progress, together with our shareholders, whose patience and confidence over the past years are sincerely appreciated.

My appreciation extends to our Board of Directors and our Chief Executive Officer for their leadership and strategic direction during this period of growth and challenge. I also thank our management team and all employees for their dedication, resilience, and contribution to PAP's performance, as well as the communities in which we operate, whose continued engagement remains important to our long-term success.

As we move forward, our focus remains on building a resilient and diversified portfolio, strengthening governance and risk management frameworks, and contributing meaningfully to Sri Lanka's sustainable energy future.



L Silva
Chairman

4 June 2026



Chief Executive Officer's Review



In a year defined by constraints across demand, cost, and climate, our performance was driven by grit in execution, disciplined strategy, and a grounded respect for the natural systems that shape our operations.

In a year where operating conditions remained constrained and increasingly complex, our focus was clear: execute with discipline, maintain performance, and continue building the foundation for long-term growth. Grit is not only about enduring pressure, it is about delivering performance, expanding capacity, and creating value in times of system constraints. It shaped how we responded to demand imbalances, cost pressures, and climate-related disruptions.

Driving profitability through operational efficiency

The financial year under review marked a period of measurable progress for Panasian Power PLC (PAP), with improved financial performance supported by capacity expansion and disciplined execution.

PAP recorded a revenue of LKR 2,008 Mn., compared to LKR 1,382 Mn. in the previous year, reflecting the contribution from newly commissioned solar capacity alongside stable generation from existing assets. Gross profit increased to LKR 1,316 Mn., supported by higher generation output and operational efficiencies across the portfolio. Profit after tax improved to LKR 1,614 Mn., with net profit margins strengthening to 80%, compared to 21% last year, reflecting both improved operating contribution and cost management during the year. The settlement of outstanding receivable balances and enhanced liquidity visibility improved cash flow performance as well.

At the same time, cost performance reflected a balanced outcome. While operational discipline enabled cost containment across operations, external pressures – including increases in component prices, logistics costs, and financial conditions – continue to influence margins.

Importantly, the commissioning of new capacity during the year positions PAP for a stronger full-year earnings contribution in the next financial period, improving both revenue visibility and earnings stability.

Navigating global cost pressures and a demand-constrained market

The operating environment during the year reflected changes in the domestic energy market. While Sri Lanka continues to pursue renewable energy expansion, electricity demand has moderated relative to generation capacity, resulting in periods where supply exceeds demand. This has led to limitations in the dispatch of available generation, constraints in absorbing additional supply in some instances, and pressure in revenue realisation despite increased installed capacity. In addition, the continued growth of rooftop solar installations has reduced demand for centrally generated renewable energy in certain segments. These developments indicate a shift towards a more demand-constrained and system-driven energy market.

The year was characterised by increasing cost pressures driven by global and regional developments. Input costs increased across components: solar panel prices by approximately 9%, battery-related costs by approximately 3%, and shipping and logistics costs amplified due to global factors. In addition, tariff structures are not fully indexed to foreign currency, exposing projects to exchange rate fluctuations. With expectations of currency depreciation and rising interest rates, this places additional pressure on project economics. These conditions continue to be monitored as part of the project evaluation and financial planning processes.

Driving operational excellence through in-house capabilities

Despite these external challenges, PAP continued its project execution, supported by established banking relationships. A key milestone achieved during the year was the successful commissioning of the seven ground-mounted solar power projects, adding approximately 35 MW to PAP's generation portfolio.

These projects were successfully completed despite constraints in logistics, financing, and regulatory processes. Their phased commissioning means that their full contribution will be realised in the coming year. The expansion reflects continued investment during a period of operational and market constraints, contributing to the growth of the Company's installed capacity.

Operational performance during the year was supported by a continued focus on efficiency, reliability, and process optimisation. Key initiatives included improving plant output, reducing downtime, and enhancing resource allocation across the portfolio. These measures supported stable performance despite the variability in environmental conditions and market demands. The ability to execute projects through in-house technical capabilities also enabled greater control over timelines, cost structures, and quality of delivery.

Embedding risk management into operations and investments

Environmental conditions continued to influence both generation and asset performance. Hydropower generation was affected by variability in rainfall patterns and extreme weather events, while two locations experienced temporary disruptions due to the flooding caused by Cyclone Ditwah and related conditions. Solar generation was also influenced by weather variability, affecting output patterns during the year. These conditions reinforce the importance of integrating climate considerations into operational planning and long-term asset management.

Risk considerations also form an integral part of how we evaluate projects and manage operations across the portfolio. Each investment is assessed against key risk factors, including climate variability, regulatory conditions, financial dynamics, and operational reliability. These factors are considered at both project and portfolio level, shaping investment choices, execution planning, and ongoing performance management. This enables a clearer understanding of how external conditions may affect generation, cost structures, and overall project viability, supporting more informed and consistent decision-making.

Adapting to evolving energy dynamics through storage solutions

The energy landscape is evolving beyond capacity expansion, in response to changing demand and generation dynamics. With increasing renewable energy penetration and moderated demand, energy storage is becoming a critical requirement. PAP has initiated steps to evaluate battery energy storage solutions, recognising their importance in the next phase of sector development. Additionally, the expected growth in electric vehicles presents a potential future demand driver for renewable energy.

Positioning PAP for medium-term growth through targeted projects

The year under review demonstrated PAP's ability to execute while adapting to changing conditions. Despite demand constraints, cost pressures, and climate variability, we continued to expand our operational base. Maintaining this momentum will require continued focus on execution, cost management, and alignment to evolving market conditions.

Looking ahead, PAP remains focused on advancing its project pipeline while responding to prevailing market conditions. Our strategic priorities in the medium term include the development of two hydropower projects and a 5 MW ground-mounted solar project. PAP will also participate in upcoming tender and Battery Energy Storage System (BESS) feed-in-tariff project opportunities, and explore prospects in new markets, subject to feasibility and investment conditions.

In parallel, we will pursue diversification into newer technologies, including battery storage for daytime retention and night peak dispatch, as well as solar + BESS as hybrid plants, while selectively evaluating opportunities across related business segments, locally and outside Sri Lanka. These priorities reflect a shift towards a more diversified and integrated energy business model, aligned with evolving sector dynamics.

Acknowledgement

The outcomes achieved during the year were made possible through focused execution across the organisation and the continued engagement of key stakeholders.

I would like to recognise the efforts of our management team and staff for their commitment in delivering and commissioning seven projects within a compressed time frame, while seamlessly maintaining the current generation portfolio. Their ability to manage multiple workstreams under challenging conditions was critical to the progress achieved during the year.

I also appreciate the guidance of the Chairman and the Board, whose oversight and direction have supported the Company's execution priorities during the year.

Further, I acknowledge the role of our banking partners and financial institutions, whose continued engagement supported project implementation and enabled the Company to sustain its investment programme.

Our engagement with sector institutions remains important for our operations. I extend my appreciation to the National System Operator (Pvt) Ltd (NSO) (formerly known as CEB), Sri Lanka Sustainable Energy Authority (SEA), Public Utilities Commission of Sri Lanka (PUCSL), Central Environment Authority (CEA), and other government agencies for their role in facilitating project development and sector oversight. Our project communities have been one of our greatest strengths. We sincerely thank them for their vital role in our successful project completions and look forward to fostering these sustainable partnerships long into the future.

I am grateful for the continued support of our shareholders, who have remained patient as PAP progressed through its growth phase. During the year, expansion was supported through retained earnings, while maintaining consistency in dividend distribution.

As we move forward, we remain focused on executing with discipline, planning with intent, and managing our growth in a manner that remains responsive to both market realities and the natural systems that sustain our operations.



P Poddiwala
Chief Executive Officer/Executive Director

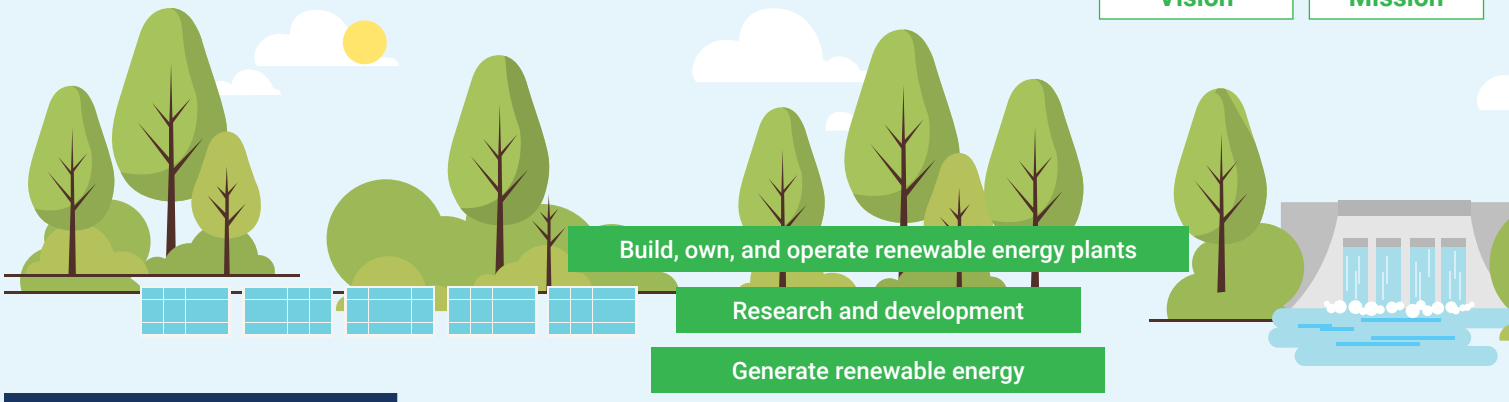
4 June 2026

Management Discussion and Analysis

Our Business Model

GRI – 201-1

Vision **Mission**



Inputs

Financial capital

In the form of equity and debt which support the execution of business operations and expansions

Total equity	Debt capital
LKR 2,975 Mn.	LKR 6,034 Mn.

Retained profits
LKR 1,137 Mn.

Manufactured capital

Effective and efficient use of assets throughout the value chain.

Solar plants	Hydropower plants
26	3

CAPEX investment
LKR 4,429 Mn.

Intellectual capital

Availability and development of strong brand innovation capabilities, systems, processes, knowledge.

- License to operate
- Brand equity and stewardship technological expertise
- Certifications and accreditations strategic partnerships
- Tacit knowledge

Value creation process

Build, own, and operate renewable energy plants
Research and development
Generate renewable energy

Enablers:

- ESG management
- Corporate governance
- Risk management
- Capital management
- Internal controls
- Audit and assurance

Output

Profit after tax – LKR 1,614 Mn.
Return on equity – 54%

EBITDA – LKR 1,122 Mn.
Net operating cash flow – (LKR 285 Mn.)

Total reserve – LKR 1,136 Mn.

Production of electricity units in – 91.3 GWh
Plant repair and maintenance – LKR 417 Mn.

Market capitalisation – LKR 12,250 Mn.
Number of awards – 3

Outcome

- Enhanced shareholder value
- Financial growth and stability
- Highest market price per share – LKR 19.60
- Well maintained infrastructure
- Lowest machinery failures
- Highest return on assets
- Efficiency in operations
- Innovative solutions
- Enhanced brand

Contribution to UN SDGs

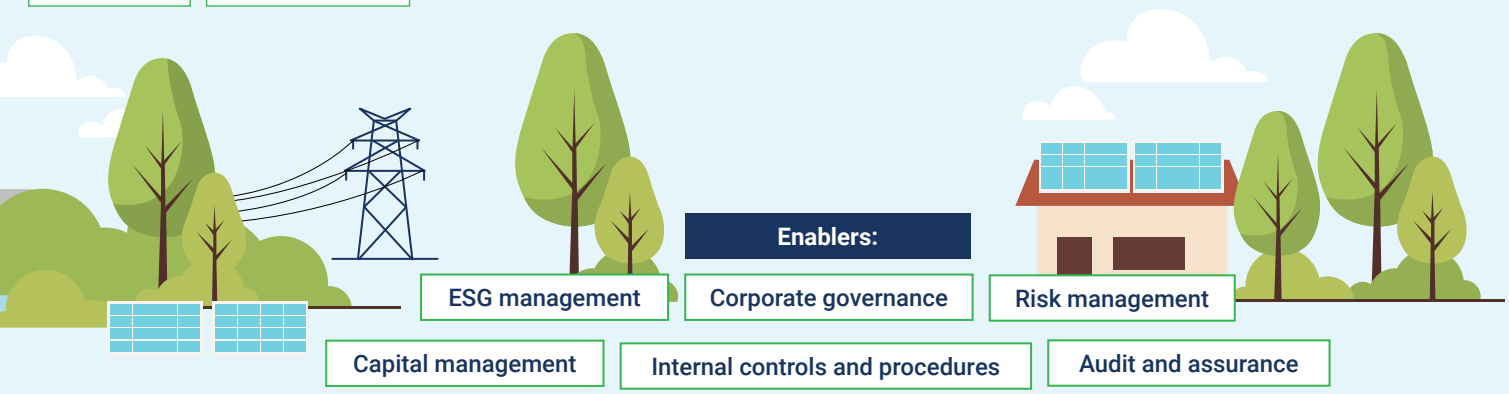






Operating environment | **Regulatory landscape**

Goals **Objectives**



Enablers:

ESG management | Corporate governance | Risk management

Capital management | Internal controls and procedures | Audit and assurance

Human capital

A diverse team, loyal employees, commitment

- 122 diverse and skilled employees
- 26.5 hours of training
- Skills and competency
- Health and safety initiatives

Social and relationship capital

Partnering with customers, suppliers, value chain partners and industry stakeholders' relationship with community.

- Corporate social responsibility
- Sustainable community development
- Affiliations with industry and other governing bodies

Natural capital

Access to and stewardship and use of scarce natural resources.

- Land occupied
- Electricity consumed
- Fuel consumed
- Water consumed

Value distributed to employee
Performance based promotion
Minimum wage ratio
Investment in training and development
Training hours per employee
Employees hired from local community

Investment on CSR activities
Value distributed to local suppliers
Taxes and levies pad
Employment created to local community

Clean energy
Reduction in CO_2 emission
Investment for the environment
Number of trees planted
Number of nursery plants developed
Energy consumption

- Greater career opportunities through training
- Flexible working conditions
- Improved retention rates
- Healthy and safe workplace
- An engaged and motivated workforce

- Improved stakeholder relationships supporting the communities
- Efficiency plant operations resulting in lower costs
- High visibility in the community

- Minimising resource depletion and protecting the environment
- Helping mitigate climate change
- Preservation of biodiversity







Global standards

Our Commitment to Sustainability

We view sustainability not as a separate agenda, but as a lens through which we strengthen resilience, manage risks, and position the Company for long-term value creation in a changing operating environment.

As a renewable energy company, sustainability is fundamental to how we create value and deliver on purpose. The natural resources that support our operations, together with evolving regulatory requirements, stakeholder expectations, and broader environmental and social considerations, reinforce the importance of embedding sustainability into decision-making across the Company.

Our ESG Policy reflects the Company's commitment to integrating environmental, social, and governance considerations into our corporate culture and day-to-day operations, supported by robust structures and processes.

During the year, we continued to strengthen our ESG approach through a formal governance structure and policy framework. Oversight of ESG matters is provided by the Board ESG committee, while implementation is led by the ESG Management Committee, supporting the consistent application of ESG principles across the organisation.

As the operating environment continues to evolve, factors such as climate variability, resource dependencies, regulatory development, and market dynamics increasingly shape business performance and investment decisions. Recognising these interconnections supports a more informed approach to risk management, capital allocation, and long-term planning.

Our sustainability approach is also guided by broader national and global development priorities, including support for renewable energy expansion, Nationally Determined Contributions (NDCs), and the United Nations Sustainable Development Goals (SDGs). Through our core business activities, we contribute to the advancement of clean energy and Sri Lanka's longer-term sustainable development ambitions.



Our sustainability focus area

Focus area	Strategic intent	Key areas of focus
Environmental stewardship 	We seek to integrate environmental stewardship into our operations and project development through the responsible management of environmental impacts and dependencies. As a renewable energy company, our long-term performance is closely linked to the resilience of the natural systems upon which our operations depend. We therefore seek to strengthen our understanding of climate-related risks and opportunities while promoting responsible resource management throughout the project lifecycle.	• Climate-related risks and opportunities • Biodiversity and land use • Water management • Waste minimisation and disposal • Environmental compliance and stewardship • Clean energy and technologies
People and communities 	We are committed to fostering an inclusive and safe workplace, while contributing to community development and supporting Sri Lanka's renewable energy ambitions, through responsible business practices and stakeholder engagement. We recognise that long-term value creation depends not only on operational performance, but also on the strength of our relationships with employees, communities, regulators, and other stakeholders	• Employee wellbeing, health, and safety • Talent development and training • Diversity, equity, and inclusion • Community commitments and partnerships • Public-private partnerships • Contribution to national renewable energy targets
Governance and accountability 	We aim to strengthen transparency, accountability, and responsible decision-making through effective governance, risk management, due diligence, and ESG oversight and reporting. As stakeholder expectations and sustainability-related risks continue to evolve, we are progressively strengthening governance and reporting practices to support informed decision-making, effective risk management, and long-term organisational resilience.	• Board-level oversight • ESG governance and implementation • Risk management and transparency • Due diligence processes • Responsible supply chain management • ESG reporting and disclosure

As we look ahead, we remain committed to strengthening the integration of sustainability into how we govern, invest, operate, and grow. By continuing to build resilience, deepen our understanding of emerging risks and opportunities, and expand our contribution to Sri Lanka's energy transition, we aim to create enduring value for our shareholders, stakeholders, and the communities we serve.

SLFRS S1 and S2 Disclosures

Basis of preparation

Reporting entity, organisation boundary and value chain

Panasian Power PLC (PAP) voluntarily adopts and report Climate related financial Disclosures SLFRS S2 standard. This Report covers the climate-related financial disclosures of Panasian Power PLC, including all hydro and solar project sites operations and head office operations. Value chain considerations extends to upstream operations, internal process and downstream operations that have material sustainability related impacts to the PAP's business model. The Group's Report has been prepared in accordance with SLFRS S1 and S2 Sustainability Disclosure Standards.

Sources of guidance

1. SLFRS S1 – General Requirements for Disclosure of Sustainability related Financial Information
2. SLFRS S2 – Climate-related Financial Disclosures.

The standards issued by the Institute of Chartered Accountants of Sri Lanka and is aligned with IFRS S1 and S2 issued by International Sustainability Standards Board (ISSB).

3. SASB Industry-specific Standards (Electric Utilities & Power Generators and Solar Technology & Project Developers)

Reporting period

This Report covers the FY from 1 April 2025 to 31 March 2026, consistent with the Company's financial reporting period.

Time horizon

PAP adopts time horizons as follows:

Short-term 🟡	Medium-term 🟠	Long-term 🔴
0-2 years	3-5 years	5+ years

Transition reliefs

PAP has applied following permitted transition reliefs as reporting being the first year of adoption of SLFRS S2 standard

- **Climate reporting –** PAP discloses information on Climate related risk and opportunities (CRROs)
- **Comparative disclosures –** comparative information is not required to be disclosed for the current year. Prior year comparisons will be provided for climate related disclosures from year 2 onwards
- **Scope 3 emissions –** PAP has applied transition relief to disclose the scope 3 emissions for the first two reporting periods
- **Anticipated financial effects on CRROs –** PAP has applied transition relief permitting entities to defer qualitative disclosures on anticipated climate related financial effects for the first two reporting periods
- **Climate resilience disclosure requirements –** PAP has applied transition relief issued by CA Sri Lanka on mandatory application to fully comply with climate resilience disclosure requirements, during first 2 years reporting

Judgement and uncertainties

Judgements

Climate-related financial disclosures prepared by PAP involve the application of significant professional judgement and estimation, due to the inherent uncertainty, forward-looking assumptions, and data limitations associated with climate-related risks and opportunities.

Materiality assessment

Determining whether specific climate-related risks and opportunities could reasonably be expected to affect cash flows, access to finance, or cost of capital over the short, medium or long term.

GHG emissions (scope 1 and 2)

Judgement was exercised by independent verifier in selecting appropriate emission factors and using delegated activity data.

Time horizon classification

Defining short, medium, and long-term time horizons based on project development, construction and operation cycles aligning them with the Company's strategic planning and business cycles for optimal integration.

Measurement uncertainties

Uncertainties arise when inputs or assumptions necessary for quantification involve significant variability, are based on inadequate data or missing information

GHG emissions (scope 1 and 2) – Estimations rely on third-party emissions factors

Governance

ESG governance

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14

The Board of Directors of Panasian Power PLC (PAP) holds ultimate responsibility of oversight Sustainability/ESG impact on the triple bottom line as well sustainability and climate related risk and opportunities (SRROs and CRROs) that could reasonably be expected to impact PAP's financial position, performance and resilience over short, medium and long term.

Board oversight is supported by Board ESG committee and Board Audit and Risk Committee. The governance structure is aligned with the principles of SLFRS S1 and S2, ensuring strong governance processes, controls and procedures an entity uses to monitor, manage and oversee SRROs and CRROs.



Governance mandates, roles and policies

Responsibility of overall ESG governance and implementation will be with the Board of Directors and responsibilities for SRROs and CRROs and broader impact management are embedded in PAP's governance framework. This is formalised through Board Sustainability/ESG committee terms of reference, Sustainability/ ESG management committee terms of reference and Sustainability/ESG policy document.

Aligned with PAP's corporate governance framework, the Board has delegated primary responsibility for the implementation and management of SRROs and CRROs to Board Sustainability/ESG committee.

This structure endures border impacts on the tribble bottom line as well as SRROs and CRROs are embedded in operational decision making, resource allocation and performance management, while maintaining appropriate Board level oversight .

Board of Directors (the Board)

The Board is responsible for overall governance of PAP's ESG topics that have an impact on the company's business activity. In this regard, the Board is responsible for ensuring that the Company's ESG strategy aligns with its broader business policies. The Board's role includes;

- Provide strategic direction and oversee the integration of ESG considerations into the Company's business strategy, overall risk management and strategic decision-making for all significant corporate actions.
- Ensure that sustainability is integrated into the Company's business model, culture, and operations. And oversee the ongoing measurement and reporting of performance against established key ESG metrics and targets established for the Company.
- Ensure the availability or development of appropriate skills and competencies to oversee strategies designed to respond to sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs).

Reporting channel and frequency

The Board receives:

- Quarterly reports on sustainability disclosures, internal controls and assurance outcomes from Board ESG committee
- Consolidated sustainability/ESG reports from the management committee and Board ESG committee
- ERM reports integrating climate risk from Board Audit and Risk Committee

Board Audit and Risk Committee

The Board Audit and Risk Committee supports the Board's oversight of risk management and internal controls, including the integration of sustainability and climate-related risks and opportunities into the enterprise risk assessment and management process.

The Committee shall:

- Advise the Board on PAP's appetite and tolerance with respect to ESG. Identify material ESG-related risks and ensure that these are appropriately captured in Panasian Power PLC's enterprise risk assessment and management process.
- Supervise and monitor the efficiency of the risk management system and internal control as well as the alignment of the Company's business strategy/targets and the ESG Strategy.

Board ESG committee

The Company has established a Board ESG Committee, responsible for providing oversight of ESG matters for the Company on behalf of the Board. In fulfilling this role, the Board ESG Committee shall:

- Oversee the development of, advise the Board regarding, and recommend for approval by the Board, the Company's ESG strategy.
- Review and provide guidance on management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities (SRROs) and climate-related risks and opportunities (CRROs).
- Review and approve the key ESG metrics and targets established for the Company, presented by the ESG Management Committee. Oversee the ongoing measurement and reporting of performance against key ESG metrics.
- Facilitate continuous improvement in the Company's non-financial reporting/sustainability disclosures and performance.

Reporting channel and frequency

Board ESG committee receives:

- Quarterly structured updates on SRROs and CRROs, mitigation and adaptation techniques and KPIs from ESG management committee

Skills and competencies

GRI 2-17

The members of the Board ESG Committee (BESG) collectively possess a broad and complementary mix of competencies, including leadership, electrical engineering, corporate finance, risk management, human capital management, regulatory compliance, and ESG integration. This multidisciplinary expertise, together with extensive cross-sector and international exposure, strengthens the Board's capacity to oversee sustainability and climate-related risks and opportunities (SRROs and CRROs) and to guide the effective implementation of the Group's sustainability strategy in line with evolving disclosure frameworks and stakeholder expectations.

Further details are set out in the Board of Directors and profile section on pages from 130.

The Board and its Committees continue to ensure access to appropriate internal and external subject matter expertise to support robust oversight of SRROs and CRROs. This includes periodic deep-dive reviews and targeted training sessions addressing emerging sustainability reporting standards, including IFRS S1 and S2-aligned requirements, evolving regulatory developments, and evolving global best practices in climate risk governance and disclosure.

During the year, the Group completed a structured Board skills and competencies self-assessment with a dedicated focus on SRROs and CRROs oversight capabilities. The findings will inform targeted Board development initiatives and support capability enhancement in priority areas, while also contributing to the identification and evaluation of strategic opportunities aligned with the Group's decarbonization and sustainable growth objectives. This process further strengthens the Board's effectiveness in overseeing the Group's sustainability agenda and advancing long-term value creation.

ESG management committee

PAP has established an ESG Management Committee to oversee & guide ESG integration into the Company's operations. This Committee is chaired by Chief Executive Officer (CEO) and shall comprise of senior management covering the following disciplines.

- Finance
- Projects and operations
- Risk and compliance
- Human Resources and administration

This Committee plays a critical role in ensuring that ESG considerations are integrated into the Company's overall strategy, risk management, and operations. This commitment is crucial for ensuring the long-term sustainability and resilience of the Company's operations. Accordingly, the following principles are established:

- **Oversight of ESG strategy:** PAP incorporates ESG factors into its strategic planning framework. This includes evaluating the potential impact of ESG issues on the Company's business objectives, market positioning, and competitive edge and ensuring that the Company's ESG initiatives align with its long-term goals and stakeholder expectations.

- **Risk management integration:** PAP integrates ESG risks into its comprehensive risk management framework. This involves identifying, assessing, and managing ESG-related risks alongside traditional financial and operational risks. The Committee is responsible for ensuring that ESG risk factors are incorporated into the Company's risk assessment methodologies, including climate change, labour practices and regulatory compliance.
- **Performance monitoring:** The Committee shall meet quarterly to monitor the Company's ESG performance, including progress towards the Company's ESG targets, compliance with regulations, and alignment with industry standards. The committee shall report to the Board ESG Committee on a quarterly basis.

The responsibilities of the Committee involve ensuring that the Company's ESG strategy aligns with the Company's broader objectives:

- **Align ESG strategy:** Ensure the ESG strategy is consistent with the Company's mission, values, and long-term objectives.
- **Set ESG objectives and KPIs:** Develop specific, measurable ESG goals and key performance indicators.
- **Monitor ESG performance:** Continuously evaluate and review the Company's ESG performance.
- **Ensure compliance:** Adhere to ESG-related regulations and industry standards.
- **Implement ESG policies:** Develop, enforce, and oversee ESG policies across the organisation.
- **Integrate ESG risks:** Incorporate ESG risks into the overall risk management framework.
- **Report on ESG initiatives:** Regularly communicate the Company's ESG efforts and performance.
- **Embed ESG in operations:** Integrate ESG considerations into business operations and decision-making processes.
- **Conduct ESG training:** Develop and deliver training programs on ESG principles.
- **Ensure reporting accuracy:** Provide accurate and consistent ESG reporting, ensuring transparent communication of the Company's sustainability commitment to stakeholders.
- **Link to long-term strategy:** Align ESG initiatives with the Company's long-term business strategy.
- **Manage climate risks:** Address and mitigate climate-related risks while enhancing resilience.
- **Promote sustainability:** Support and advocate for environmental sustainability projects.
- **Support community programs:** Oversee initiatives that positively impact local communities

Integration into strategy, decision and risk management

GRI 2-19, 2-20

The Board considers climate impacts, CRROs and SRROs as part of PAP's overall strategy, major discission making and risk management and impact mitigation and adaptation activities. Also, the Board considers how these matters may impact PAP's business model, its corporate responsibility efforts ensuring that impacts on the economy, environment and society are managed, ensuring organisational resilience and long term value creation and ensures they are addressed through appropriate governance, policies and management actions.

Targets, performance monitoring and remuneration

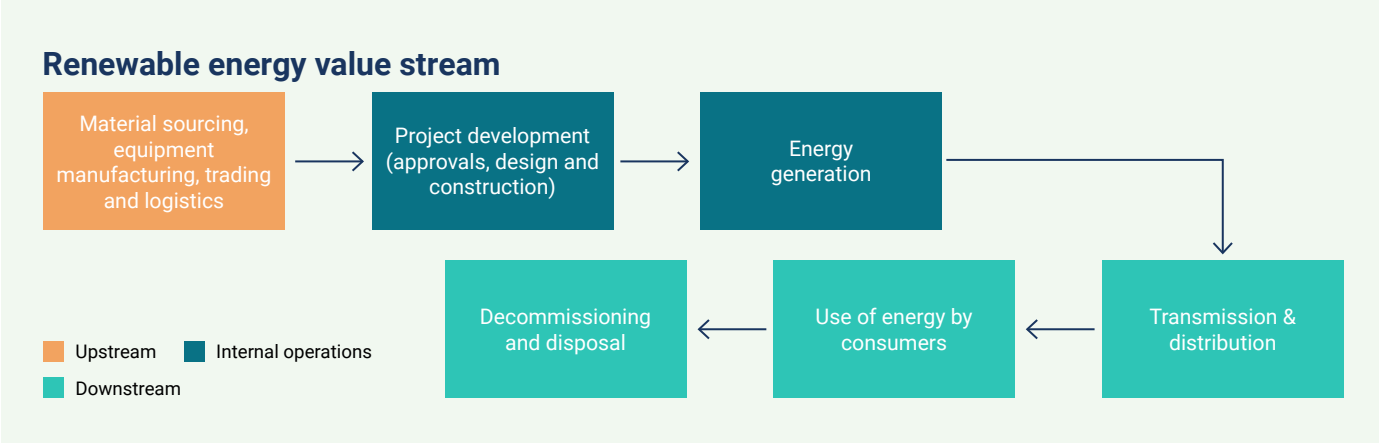
The Board of Directors oversee the developments of targets related to the Company's ESG impact topics, CRROs and SRROs, and monitor progress towards those targets as they are established. The Board has delegated responsibility for the formulation and implementation of targets to Board ESG Committee in collaboration with the ESG Management committee. They are currently evaluating the setting of targets for the related CRROs and associated performance metrics to be linked to the targets.

Moving forward, the Board ESG Committee will focus through ESG management committee on confirming standard metrics and assessing the viability of future targets, with periodic updates provided to the Board to support oversight and decision-making.

PAP has not yet introduced climate-related targets or linked remuneration metrics. However, the Board Human Resource and Remuneration Committee (BHRRC) intends to evaluate how future sustainability/climate impact mitigation or adaptation performance measures can be incorporated into executive remuneration frameworks once targets are established.

The Board, through the BHRC, will review and approve the integration of such metrics into remuneration policies when PAP's climate impact mitigation and adaptation pathways are developed by the ESG Management Committee and approved by Board.

Strategy



The diagram shows the end-to-end value chain of PAP renewable energy generation, from raw materials to final disposal. It's grouped into 3 color-coded stages: upstream, midstream, and downstream + lifecycle end.

Upstream – material sourcing, equipment manufacturing, trading and logistics

This is where everything starts. It covers extracting/procuring raw materials like steel, silicon, lithium, and copper. Then manufacturing the actual equipment – solar panels, turbines, transformers,. Trading and logistics move those materials and components globally to project sites.

Value added here: Securing supply, reducing cost, ensuring quality of inputs. Without reliable sourcing, the whole chain stalls.

Internal operations – project development + energy generation

Project development (approvals, design, construction): Feasibility studies, site selection, permits/approvals, engineering design, and construction of the power plant. This turns equipment into a working asset.

Energy generation: The actual production of electricity – solar farms generating PV power and hydro power plants,

Value added here: Converting capital + equipment into usable energy. Project execution and plant efficiency drive ROI.

Downstream + lifecycle

Transmission & distribution → use by consumers → decommissioning and disposal

Transmission and distribution: High-voltage lines and substations move power from plants to cities. Local distribution grids deliver it to homes, factories, EV chargers.

Use of energy by consumers: The final value – powering homes, industry, transport, data centers. This is where revenue is realised.

Decommissioning and disposal: End-of-life stage. Decommissioning plants, recycling materials like turbine blades and panels, and safe disposal of waste. Increasingly important for ESG and circular economy.

Value added here: Reliable delivery + sustainable lifecycle management. This stage builds customer trust and meets regulations.

Climate related risks and opportunities

GRI 201-2

The table below summarises the relevant CRROs that could affect the PAP over the short, medium, long term.

Short-term 🟡	Medium-term 🟠	Long-term 🔴
0-2 years	3-5 years	5+ years
Immediate operational adjustments to address pressing climate related risks and capitalise on immediate opportunities	Necessary adaptations to the business model to ensure continuous growth and climate resilience	Comprehensive strategic shifts to transform our business and secure long-term success in the face of climate change

	Risk/Opportunity	Time Horizon	Affected Area
CR1	**Physical – acute risk: physical climate risks caused total washed out/damage to assets & infrastructure and operational disruptions:** Increased frequency and severity of extreme weather events such as high intensity extreme rainfall (floods, soil erosion, and landslides), droughts, cyclones, strong winds, thunder and lightning can cause direct physical and structural damages to the power plants, infrastructure and disturb power generations		Mini Hydro Power plants – weir, for bay, Channel path, penstock and powerhouse Ground mounted solar power plants Roof top solar plants Value chain Stage – Project Development, Energy Generation, Transmission & Distribution
CR2	**Physical – chronic risk: water scarcity** Long term changes in precipitation and erratic rainfall patterns can cause seasonal shifting- seasonal mismatch of demand, inefficient, unpredictable energy and environmental & social conflicts		Mini Hydro power plants Value chain Stage – Energy Generation
CR3	**Physical – chronic risk: temperature rises** Gradual rise in temperature and heat stress can decrease operational efficiency -drop in power output, in solar power generation It also can cause water scarcity and increase competition for water		Solar power plants Mini Hydro power plants Value chain Stage – Energy Generation
CR4	**Transitional risk: increasingly stringent regulations and policies** Increasingly stringent regulations and policies could lead to higher compliance costs in project development and operations.		Project development Project operations – curtailment Investor relations Environmental, ecological and social footprint Brand reputation Value chain Stage – All stages
CR5	**Transitional risk: supply chain** Enforcement of legislation relating to carbon emission reduction, carbon pricing mechanisms, including carbon taxes and Emissions Trading Systems impacting suppliers that demands additional investment may create cost pressures and operational challenges		Project development and construction Value chain Stage – Materials Sourcing and Equipment Manufacturing
CO1	**Climate-related opportunity: transition to renewable energy and improving energy efficiency** With abundant solar, wind, and hydropower resources, Sri Lanka has a clear opportunity to move towards total electricity generation based on renewable sources, to transition away from fossil fuels towards cleaner, decentralised energy systems.		Newer business models Value chain Stage – All stages
CO2	**Climate-related opportunity: access to finance** Access to finance mechanisms such as the Green and sustainability bonds.		Cost of capital Value chain Stage-Project Development

Climate-related financial disclosures on strategy

Climate related risks	Business Model and Value Chain		Strategy and decision making	
	Current and anticipated effects on the business model and value chain	Where the risk is concentrated in the business model and value chain	Current and anticipated changes to the business model	Current and anticipated direct mitigation and adaptation efforts
CR1– Physical climate risks caused total washed out/ damage to assets and infrastructure and operational disruptions	Climate related disruptions cause physical damage to assets and infrastructures. Assets and infrastructures are destroyed or washed away. Operational shutdowns require long-term repairs and generation losses. Damages in transmission line and grid infrastructure affects part of supply chain. **Value chain stage:** Project development, Power generation and Transmission & Distribution	The risk is higher in disaster prone regions, particularly in geographically vulnerable power plant locations. **Value chain stage:** Project development, Power generation and Transmission and Distribution	Detailed engineering designs and upgrades will be adopted timely. Soil stabilisation- to prevent soil erosion. Improve and proper maintenance of drainage system. PAP will also take into consideration the risk-prone areas when selecting locations for projects.	Monitoring National Hydro Informatics, and flood water levels from surrounding areas. Emergency response plan and Business continuity plan for flooding and landslides. Property insurance. Monitoring climate from the local Meteorological Department.
CR2 – Water scarcity	Insufficient water supply causes operational shootdowns and reduces power generation. Increase social and environmental concerns in usage of water. **Value chain stage:** Power generation	The risk is concentrated in power generation stage specifically for mini hydro power projects. **Value chain stage:** Power generation	Maintain environmental flow to maintain the ecosystem function. E- flow will be considered as a high priority in the operation.	Monitoring of National Hydro Informatics, rainfall intensity, and flash flood. Emergency response plan and Business continuity plan for lack of raw water. Improve equipment efficiency and storage capacity to buffer with deviation from production plan.
CR3 – Temperature rises	At present, we do not experience significant impact or generation losses. But we anticipate generation losses in future. **Value chain stage:** Power generation	The risk is highly concentrated in solar power plants. Since temperature rises can increase the demand for water the risk concentrated to mini hydro power projects as well. **Value chain stage:** Power generation	PAP will consider new Technological adaptations.	Emergency response plans on fire and short-circuit cases with periodic drills at plants. Daily visual inspection and monthly Thermal image camera inspection to detect heat spots. Property Insurance. Technology enhancement.
CR4 – Increasingly stringent regulations and policies	Shifting regulatory environments, such as net-zero goals, force rapid adaptation. Some projects may face regulatory delays or reputational risks due to anticipated environmental impacts. Curtailment to maintain grid stability causes economic losses. **Value chain Stage:** All stages	The risk is concentrated throughout the project cycle- project development, construction operation, until decommission the power plant with disposing the equipment in responsible way. **Value chain Stage:** All stages	Complying with all legal and regulatory requirements and maintaining the public- private partnerships.	Continuous learning and development. Timely get updates and adopting legal regulatory requirements.

Financial Position, financial performance and cash flows				Time Horizon
Current impacts				
Impacts on financial position	Impact on financial performance	Impact on cash flows	Impact on cost of capital	
Physical damage to hydro and solar power plants led to substantial capital expenditures for the repair and replacement of affected assets. In severe instances, certain assets were permanently impaired or written off, resulting in a reduction in the Company's asset base and overall net worth.	Interruptions to power generation resulting from physical damage to assets had a direct adverse impact on revenue generation within the hydro and solar sectors.	Physical damage to generation assets, may necessitate significant unplanned capital outlays for the repair, restoration, or replacement of affected assets. Such expenditures, frequently incurred on an urgent basis, may exert pressure on the Company's liquidity and working capital position.	Minimal to no impact on the Company's cost of capital, as disruptions are short-term in nature and do not materially affect long-term solvency, financial performance, or investor risk perception. The organisation's capital structure and funding costs remain largely unaffected.	Short to Long term
Insufficient water supply may lead to operational constraints, reduced generation efficiency, and in severe cases, temporary shutdown of hydropower assets. This can result in lower electricity output, reduced capacity utilisation, and consequently a decline in revenue generation.	Reduced water inflows can lead to lower electricity generation, decreased capacity utilisation, and loss of revenue. This may result in increased volatility in operating cash flows and reduced profitability during periods of water stress.	Lower generation levels directly reduce revenue inflows, creating volatility and potential shortfalls in operating cash flow during periods of water stress.	In short term no impact on Company cost of capital	Short to Long term
Company does not experience any significant operational disruptions or generation losses arising from temperature variability or temperature-related predictions. Accordingly, there is no material impact on the Company's financial position,	The Company does not experience any significant operational disruptions or generation losses arising from temperature variability or temperature-related predictions. Accordingly, there is no material impact on the Company's financial performance as a result of temperature-related factors under current operating conditions.	There is no material impact on the Company's cash flows as a result of temperature-related factors under current operating conditions.	No impact on the Company's cost of capital	Short to Long term
The Company's financial position remains fundamentally stable, supported by long-term contracted revenue streams under Power Purchase Agreements and a diversified portfolio of renewable energy assets. However, the financial performance during the reporting period has been influenced by external operational and regulatory factors, particularly grid curtailment and macroeconomic pressures.	Total electricity sales during the period were modestly below optimal generation potential, leading to a corresponding impact on revenue realisation. This reduction in dispatched energy volumes has affected gross margins,	Actual cash inflows were influenced by intermittent grid curtailment measures imposed by the system operator, resulting in periods where generated energy could not be fully dispatched to the grid. This has led to increased variability in operating cash receipts compared to installed generation capacity.	No impact on the Company's cost of capital	Short term

Climate related risks	Business Model and Value Chain		Strategy and decision making	
	Current and anticipated effects on the business model and value chain	Where the risk is concentrated in the business model and value chain	Current and anticipated changes to the business model	Current and anticipated direct mitigation and adaptation efforts
CR5 – Transitional risk: Supply chain	At present, there is no significant impact but in future we anticipate impact on increasing prices of project equipment with incorporation of carbon cost. **Value chain Stage:** Material Sourcing, Equipment Manufacturing, trading and logistics & project development.	The risk is concentrated when importing goods. **Value chain Stage:** Material Sourcing, Equipment Manufacturing, trading and logistics & project development.	At present, no changes in business model	Currently no adaptations or mitigation plans available but in future will look to adopt reliable mechanism with global trends.

Climate related opportunities	Business Model and Value Chain		Strategy and decision making	
	Current and anticipated effects on the business model and value chain	Where the risk is concentrated in the business model and value chain	Current and anticipated changes to the business model	Current and anticipated mitigation and adaptation efforts
CO1 – Transition to Renewable Energy and Improving Energy Efficiency	The Company has planned to expand investment in renewable power generation in order to responding to global and national promotion and emission reduction target. It targets to achieve 75 MW installed renewable energy capacity by 2028. **Value chain Stage:** All stages	The Company puts focus on solar power generation with storage system and expand cross-border green assets. **Value chain Stage:** All stages	New project pre-developments/ developing new business models	Invest in development in battery energy storage system to reduce curtailment losses and improve Renewable energy efficiency.
CO2 – Access to Finance	Opportunities to raise capital for new investments. **Value chain Stage:** Project Development	If company needs to raise capital for new projects, the market will be accessible. **Value chain stage:** Develop and construct new projects	Bring new investments	Adopting green frameworks, independent certifications and listing rules

Note: No indirect mitigation and adaptation efforts have been identified.

Current Transition Planning

PAP does not currently have a formal climate transition plan in place. However the Company acknowledges that regulatory requirements of GHG emissions reporting and reductions targets are expected to implement in coming years. At the same time stakeholders expectations for sustainable and environmentally responsible project development and operation practices will continue to grow. In response, in future PAP will consider to develop climate transition plan while evaluating local and international standards and guidelines for Renewable energy sector. The climate scenario analysis has not yet been conducted. Also, Climate-related risk will be incorporated in to Capital.

Financial Position, financial performance and cash flows				Time Horizon
Current impacts				
Impacts on financial position	Impact on financial performance	Impact on cash flows	Impact on cost of capital	
The enforcement of climate-related legislation, including carbon pricing mechanisms such as carbon taxes and Emissions Trading Systems (ETS), has increased operating and compliance costs across the supply chain, requiring suppliers to make additional investments in cleaner technologies, energy efficiency initiatives, and emissions monitoring systems. These developments may adversely impact on the Company's financial position through higher procurement costs, increased capital expenditure requirements, and potential margin pressure.	Carbon pricing regulations and emission reduction laws have increased supplier costs, resulting in higher operating expenses and pressure on the Company's financial performance.	Carbon pricing regulations and emission reduction requirements have increased cash outflows through higher supplier payments and additional compliance-related investments.	No impact	Short term

Financial Position, financial performance and cash flows				
Current impacts				Time Horizon
Impacts on financial position	Impact on financial performance	Impact on cash flows	Impact on cost of capital	
Investments in renewable energy infrastructure and energy-efficient assets are expected to enhance the resilience, efficiency, and long-term value of the organisation's property, plant, and equipment. These initiatives may extend asset useful lives, reduce operational downtime, and minimise impairment risks associated with evolving climate regulations and transition-related market changes.	Energy efficiency measures have improved operational productivity by reducing waste, optimising resource utilisation, and increasing process efficiency across key business activities. This has resulted in lower cost per unit of output and strengthened overall cost competitiveness.	Energy efficiency measures and the gradual integration of renewable energy sources are contributing to decreased recurring operating expenses, resulting in stronger net operating cash inflows.	When organisation strengthens its renewable energy usage, improves energy efficiency, and reduces greenhouse gas emissions intensity, it is likely to be viewed as lower transition risk compared to less decarbonised peers. This improved risk profile can translate into lower perceived credit risk and equity risk premiums, both of which are key drivers of the overall weighted average cost of capital (WACC).	Short to long
Several opportunities to raise capital for new investments, including equity financing, green bonds, project finance, government incentives, joint ventures, and asset recycling.	Successful investments in renewable energy projects can improve financial performance through higher revenues, increased profitability, stronger cash flows, and growth in company assets. Long-term power purchase agreements (PPAs) and rising demand for clean energy can provide stable income and improve investor confidence.	Raising capital for new investments affects the cash flows of the Group in both the short and long-term. In the short term, financing through equity, loans, green bonds, or government grants increases cash inflows and improves liquidity for project development. However, large capital expenditures, loan repayments, and interest costs can increase cash outflows.	Equity financing may increase the overall cost of capital because shareholders expect higher returns for the risks they take, although it reduces financial risk by lowering dependence on debt. Debt financing, including green bonds and loans, can provide lower-cost funding due to tax benefits and strong investor demand for sustainable projects; however, excessive borrowing increases financial risk and interest obligations.	Short to long

Risk Management

Risk management structure

PAP Enterprise Risk Management Framework (ERMF) supports structured risk identification, assessment, and management across the organisation. Climate-related risks materials are now formally included in the ERMF, added to Board Audit and Risk Committee agenda and quarterly reviewed with the same as other risks. The input parameters to analyse the climate-risks and how company assess the nature, likelihood and magnitude of the effects of climate-risks are incorporated, also how company prioritises climate-related risks related to other risks are explained in detailed Risk Management Report on pages from 178.

Climate risk integration into ERMF

Process for climate related risks

PAP Identifies, assesses, prioritises and monitors sustainability and climate related risks and opportunities through an integrated ERM Framework applied consistently across the organisation. Climate risks are incorporated with operational risk, reputational risk, legal legislative and compliance risk and social environmental and climate change risk.

1. Climate-related scenario analysis

PAP does not currently carry out its own climate related scenario analysis to inform the identification of climate related risks but studied its peer companies' scenario analysis to inform the identification of climate related risks. However, to strengthen the risk management framework, scenario analysis methodologies will be actively adopted in coming years.

2. Risk rating

PAP evaluates climate related risks using a structured qualitative and quantitative risk assessment methodology. Nature of climate risks are defined and link the event to specific operational and non-operational dependencies.

Likelihood and magnitude are assessed using a scoring scale aligned with ERMF. A risk rating is calculated by combining likelihood and impact scores.

3. Prioritisation of climate related risks

ESG management committee used value chain mapping process to identify climate related risks and opportunities at each stage of the business value chain.

- Acute physical risks are prioritised due to their potential to cause assets and infrastructure damages that leads generation losses, directly linked with revenue
- Chronic climate-related risks are prioritised considering their impact on generation interruptions
- Transitional risks are prioritised considering the impact on project delays in project development, restrictions in project operations, brand reputation, Investor relations, Environmental, ecological and social footprint

4. Monitoring climate related risks

PAP monitors climate risks through continuous tracking of key operational, regulatory, environmental and social indicators. This includes regular review of operational disruptions/ generation data, social concerns, environmental and regulatory compliance. These insights are reported to Board ESG Committee and Board Audit and Risk Committee.

5. Changes in the process

Continuing with the previous reporting period, PAP has maintained the core process its uses to identify, assess, prioritise, manage and report CRROs. The ERMF provides the foundation for risk identification and assessment activities across the project sites.

PAP has strengthened several aspects of its climate related risk and opportunity approach to improve governance and alignment with existing sustainability standards. Key enhancements includes.

- Strengthened governance structure, including formal oversight by Board, established Board Sustainability Committee and ESG management committee for ESG integration
- Improved value chain mapping, enabling detailed assessment of climate related physical, transition and opportunity related impacts across business activities.
- Integration of climate related activities into business planning
- Determining appropriate time horizons for climate related risk assessment
- Examining the regulatory scope to anticipate changes in legislation, regulation, standards and framework

Process for climate-related opportunities

PAP asses potential positive effects arising from climate change for Renewable Energy sector.

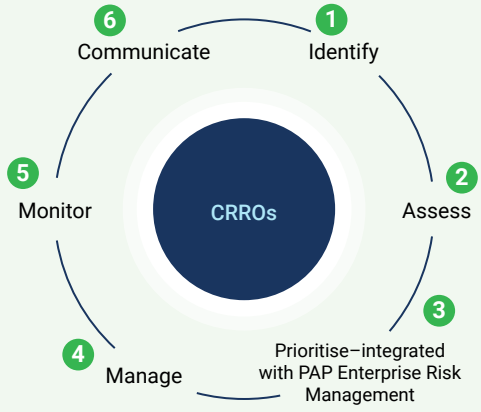
Potential opportunities are identified through

- Demands for energy efficiency
- Market attractiveness for Green products

Identified relevant opportunities are incorporated into company business strategy and embedded into business plan

Integration into overall risk management

PAP voluntarily adopted SLFRS standards and reporting to enhance its ESG commitment into its business operations. Therefore, its risk management framework will continuously improve and PAP expects to undertake more detailed assessments of climate related risk and opportunities and to strengthen its integration into strategic decision making.



Metrics and targets

	Scope 1	Scope 2
Measurement Approach	Calculated using a direct activity-based approach in accordance with ISO 14064-1:2018 and GHG Protocol. Covers stationary combustion (LPG), mobile combustion (petrol and diesel vehicles, grass cutter), and fugitive emissions (fire extinguishers) using IPCC emission factors. The organisational boundary covers all Panasian Power PLC operations, including mini-hydropower plants, solar sites, and the Head Office.	Calculated using the location-based approach in accordance with the GHG Protocol. Covers purchased electricity using the Sri Lanka national grid emission factor. The organisational boundary includes all Panasian Power PLC operations, comprising mini-hydropower plants, solar sites, and the Head Office.
Inputs	• LPG consumption data • Fuel consumption (petrol and diesel) for company-owned vehicles • Petrol consumption for grass cutter • Fire extinguisher refilling data	• Electricity consumption from CEB bills
Assumptions	No assumptions were applied; all calculations are based on actual measured or recorded activity data.	• Scope 2 emissions are based on purchased electricity consumption recorded from utility bills. Where data for the month of March are unavailable for certain sites, values are estimated using the average consumption of available months. • National grid emission factor represents average grid emissions
Reasoning for the selected Measurement Approach, Input and Assumptions	• The activity-based approach is selected for Scope 1 as it enables accurate quantification of emissions at source level using actual fuel consumption and operational activity data. This method ensures higher data accuracy and transparency in line with ISO 14064-1:2018 requirements. • Use of IPCC emission factors ensures international consistency, transparency, and suitability for third-party verification. • The selected inputs and assumptions reflect actual operational conditions and ensure that all relevant direct emission sources within the organisational boundary are comprehensively captured.	• The location-based approach is applied for Scope 2 in accordance with the GHG Protocol to reflect emissions associated with the national electricity grid. This ensures alignment with national reporting practices and enhances comparability across organisations within Sri Lanka. • The use of the Sri Lanka national grid emission factor ensures relevance to the local energy context. • The selected inputs are consistent with recognised national and international methodologies, ensuring transparency, reliability, and suitability for external verification.
Reason for change in Measurement Approach, Input and Assumptions	This is the base year of reporting; therefore, no changes in measurement approach, inputs, or assumptions have occurred. Future reporting periods will be compared against this base year.	This is the base year of reporting; therefore, no changes in measurement approach, inputs, or assumptions have occurred. Future reporting periods will be compared against this base year.

Scope 1 emissions – 37.74 tCO_2e			**Scope 2 emissions** – 150.76 tCO_2e		
Scope	Emission category	Activity	Data Source	Emission Factor (EF) Source	Source of Global Warming Potential (GWP) Values
Scope 1	Stationary Combustion	LPG Use	Purchase Records	2006 IPCC Guidelines	IPCC AR 6
Scope 1	Mobile Combustion	Company owned vehicles (fuel usage of company-maintained vehicles and fuel allowances) Grass Cutters	Fuel Purchasing Records, Running Charts and Fuel Card System	2006 IPCC Guidelines	IPCC AR 6
Scope 1	Fugitive Emissions	Fire Extinguishers	Refiling Records & invoices	2006 IPCC Guidelines	IPCC AR 6
Scope 2	Purchased Electricity	Electricity Consumption (across all operational facilities)	Monthly Electricity Bills	Sri Lanka Energy Balance 2022	IPCC AR 6

Internal carbon pricing

PAP does not apply a carbon price in decision-making. Also, PAP does not use any price of GHG emissions (per metric tonne) to assess the costs of its GHG emissions.

Remuneration

Climate-related considerations into executive remuneration is not yet factored. And the percentage of executive management remuneration not recognised in the current reporting period that is linked to climate related considerations. In future, integration will be evaluated.

Targets

Climate-related targets will be set, linked to KPIs and monitored in coming years

Note: Company has not yet determined the followings;

1. the amount and percentage of assets or business activities vulnerable to climate- related transition risks and climate- related physical risks.
2. the amount and percentage of assets or business activities aligned with climate-related opportunities
3. the amount of capital expenditure, financing or investment deployed towards climate-related risk and opportunities.

PAP continues to evaluate climate related risks and anticipates enhancing quantitative disclosures as more comprehensive data become available.

GHG verification certificate







SASB metrics

Sustainability Accounting Standards Board (SASB) standards

Electric Utilities and Power Generators – Infrastructure Sector

Industry Standard – Version 2023-12

Description/Topic	Index/Code	Requirement/Metric	Unit of Measurement
Environment			
Greenhouse gas emissions and energy	IF-EU-110a.1	(1) Scope 1 emissions	Metric tonnes (t) CO_2-e,
		(2) percentage covered under emissions limiting regulations	Percentage (%)
		(3) percentage covered under emissions reporting regulations	Percentage (%)
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Metric tonnes (t) CO_2-e
	IF-EU-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A – Discussion and Analysis
Air quality	IF-EU-120a.1	(1) Air emissions of NOx (excluding N2O)	Metric tonnes (t)
		(2) Air emissions of Sox	Metric tonnes (t)
		(3) Air emissions of particulate matter (PM10)	Metric tonnes (t)
		(4) Air emissions of lead (Pb)	Metric tonnes (t)
		(5) Air emissions of mercury (Hg)	Metric tonnes (t)
		Air emissions of the following pollutants percentage of each in or near areas of dense population	Percentage (%)
Water management	IF-EU-140a.1	(1) Total water withdrawn	Thousand cubic metres (m^3)
		(2) total water consumed	Thousand cubic metres (m^3)
		Percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage (%)
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A – Discussion and Analysis

Disclosure
37.7368 t CO_2-e
N/A Currently, there are no emission-limiting regulations in Sri Lanka applicable to the Company's operations
Emission reporting regulations are 100% covered
GHG emissions are calculated in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004) [1], using activity data. Emission factors are sourced from the IPCC 2006 Guidelines and the 2019 Refinement [2], with Global Warming Potential (GWP) values based on the IPCC Sixth Assessment Report (AR6, 2020) [3]. Electricity transmission and distribution (T&D) loss emissions are calculated using the CEB Statistical Digest Report 2024 [4] and Sri Lanka grid emission factor obtained from the Energy Balance 2022 [5].
[1] https://ghgprotocol.org/
[2] https://www.ipcc-nggip.iges.or.jp/public/2006gl/vol2.html
[3] https://ghgprotocol.org/sites/default/files/2024-08/Global-Warming-Potential-Values%20%28August%202024%29.pdf
[4] https://www.ceb.lk/publication-media/statistical-reports/141/en
[5] https://www.energy.gov.lk/images/energy-balance/energy-balance-2022.pdf
All electricity transmission and distribution infrastructure is owned, operated, and maintained by the CEB. Note: Since PAP generates electricity through renewable energy sources, emissions from power generation facilities owned and operated by the Company are eliminated. PAP has no direct retail customers. The business model is customer-centric and supplying electricity to National System Operator (Pvt) Ltd, (NSO) (formerly known as CEB), under long-term power purchase agreements.
Long-term and short-term strategies and targets have not been set yet.
–
–
–
–
–
Renewable energy electricity generation associated with zero air emissions.
Total water withdrawals = 4,578.14 m³ For mini-hydro power projects, water is withdrawn from the stream for energy generation and then discharged back into the same stream., therefore, diverted water for mini hydro power generation is not considered as water consumption in accordance with standard clause 3.3.1 under water management metrics IF-EU-140a.1.(1)
4,578.14 m³
0% (No water is withdrawn or consumed in regions classified as High or Extremely High Baseline Water Stress as classified by the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.
Zero non-compliances are reported.
Water management risks, strategies and practices to mitigate those risks are analysed and discussed in Strategy disclosures.

Description/Topic	Index/Code	Requirement/Metric	Unit of Measurement
Coal ash management	IF-EU-150a.1	(1) Amount of coal combustion products (CCPs) generated, (2) percentage recycled	Metric tonnes (t), Percentage (%)
	IF-EU-150a.3	Description of coal combustion products (CCPs) management policies and procedures for active and inactive operations	N/A – Discussion and analysis
Energy affordability	IF-EU-240a.1	Average retail electric rate for (1) residential customers	Rate
		Average retail electric rate for (2) commercial customers	Rate
		Average retail electric rate for (3) industrial customers	Rate
		Average retail electric rate for (4) Other/Wholesale customers	Rate
	IF-EU-240a.3	(1) Number of residential customer electric disconnections for non-payment, (2) percentage reconnected within 30 days	Number, Percentage (%)
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	N/A – Discussion and analysis
End-use efficiency and demand	IF-EU-420a.2	Percentage of electric load served by smart grid technology	Percentage (%) by megawatt hours (MWh)
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Megawatt hours (MWh)
Activity metrics	IF-EU-000.C	Length of transmission and distribution lines	Kilometres (km)
	IF-EU-000.D	Total electricity generated	Megawatt hours (MWh)
		percentage by major energy source	Percentage(%)
		percentage in regulated markets	
	IF-EU-000.E	Total wholesale electricity purchased	Megawatt hours (MWh)

Disclosure
N/A
N/A
N/A
N/A
N/A
Average retail electricity rate **= Total revenue/Amount of electricity delivered** = LKR 1,728,245,987.00 / 78,725,630 kWh = 21.95 LKR / kWh
N/A
When consumer tariffs are kept artificially low for affordability reasons, they create the following consequences • Payment Arrears • Reduced Investor Confidence • Difficulty Securing Financing • Operational Challenges Also, following economic conditions impact Independent Power Producers (IPPs) • Foreign Exchange Shortages and Payment Delays • Weakened Demand and Affordability • Policy Inconsistency and Investment Risk • Inflation & Currency Depreciation
N/A Smart grid technology is not currently implemented in Sri Lanka
N/A
According to Sri Lankan Grid Code, the Project Company will, at its own expense, procure, install, test, and commission the transmission and distribution system at the delivery point, which will then be transferred to CEB. All transmission and distribution infrastructure is owned, operated, and maintained by the CEB. Except that there are internal Transmission lines owned by 5MW solar projects, due to its extensive territory. The total length of the internal transmission line is 4.565 km.
Total Electricity Generated = 78,725.63 MWh
Hydropower – 33.48% (26,356,893 kWh) **Solar** – 66.52% (52,368,737 kWh)
Generated electricity is fully supply to the regulated national grid.
371.14 MWh

Description/Topic	Index/Code	Requirement/Metric	Unit of Measurement
Social			
Workforce health and safety	IF-EU-320a.1	(1) Total recordable incident rate (TRIR) for (a) direct employees and (b) contract employees	Rate
		(2) fatality rate for (a) direct employees and (b) contract employees	Rate
		(3) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	Rate
Nuclear safety and emergency management	IF-EU-540a.1	Total number of nuclear power units, broken down by results of most recent independent safety review	Number
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	N/A – Discussion and Analysis
Activity metrics	IF-EU-000.A	Number of: (1) residential customers served	Number
		Number of: (2) commercial customers served	Number
		Number of: (3) industrial customers served	Number
	IF-EU-000.B	Total electricity delivered to: (1) residential customers	Megawatt hours (MWh)
		Total electricity delivered to: (2) commercial customers	Megawatt hours (MWh)
		Total electricity delivered to: (3) industrial customers	Megawatt hours (MWh)
		Total electricity delivered to: (4) all other retail customers	Megawatt hours (MWh)
		Total electricity delivered to: (5) wholesale customers	Megawatt hours (MWh)
Governance			
Grid resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Number
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI),	Minutes, Number
		(2) System Average Interruption Frequency Index (SAIFI),	Minutes, Number
		(3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Minutes, Number

Disclosure	
	(a) 1.63 **(b) 0** Note – TRIR = No of incidents * 200,000/Total no of hours worked by employees Number of recordable incidents – 2 No of Employees – 122 Working hours per month – 21 days, working 8 hours
	(a) 0 (b) 0 Note – Fatality rate = No of fatality * 200,000/Total no of hours worked by employees Number of Fatality – 0
	(a) 2.44 (b) 0 NMFR = No of near misses * 200,000/Total no of hours worked by employees Number of near misses – 3 No of Employees – 122 Working hours per month – 21 days, working 8 hours
	N/A
	0
	0
	0
	0
	0
	0
	0
	78,725.63 MWh energy supplied to national grid
	Zero non-compliances are reported
	N/A
	N/A
	Due to the impact of cyclone Ditwah, the following power plants power generations are interrupted from 28 November 2025 to 31 March 2026. 1. Pannala 1 MW ground mounted solar power plant 2. Padiyapelella 4.4 MW Mini hydro power plant 3. Manelwala 2.4 MW Mini hydro power plant

Sustainability accounting standards Board (SASB) standards

Solar Technology and Project Developers – Renewable Resources and Alternative Energy Sector

Industry Standard – Version 2023-12

Description/Topic	Index/Code	Requirement/Metric	Unit of Measurement
Environment			
Energy management in manufacturing	RR-ST-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable"	Gigajoules (GJ), Percentage (%)
Water management in manufacturing	RR-ST-140a.1	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m^3), Percentage (%)
	RR-ST-140a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A – Discussion and Analysis
Hazardous waste management	RR-ST-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Metric tonnes (t), Percentage (%)
	RR-ST-150a.2	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	Number, Kilogrammes (kg)
Ecological impacts of project development	RR-ST-160a.1	(1) Number of project delays related to ecological impacts	Number
		(2) duration of project delays related to ecological impacts	Days
	RR-ST-160a.2	Description of efforts in solar energy system project development to address community and ecological impacts	N/A – Discussion and Analysis
Product end of-life management	RR-ST-410b.1	Percentage of products sold that are recyclable or reusable	Percentage (%)
	RR-ST-410b.2	(1) Weight of end-of-life material recovered, (2) percentage recycled	Metric tonnes (t), Percentage (%)
	RR-ST-410b.3	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	Percentage (%)
	RR-ST-410b.4	Description of approach and strategies to design products for high-value recycling	N/A – Discussion and Analysis

	Disclosure
	N/A
	N/A
	N/A
	N/A Note: This disclosure requirement related to Solar photovoltaic panel manufacturing as per standard “
	Mini hydro power project implementation was delayed due to the environmental approval process, specifically in terms of incorporating ecological impact mitigation plans into the project development
	Padiyapelella mini-hydropower Project (Phase 2) – Reworking approvals based on recommendations required a project redesign to reduce ecological impacts. Therefore, the project experienced a delay of 10 to 12 months from its original plan
	We conducted stakeholder awareness sessions to educate and inform relevant parties about the project’s climate impacts. This will ensure that all stakeholders are aware of the potential effects and are aligned with our mitigation strategies. We obtained the necessary institutional and regulatory approvals before commencing the project. This includes conducting Environmental Impact Assessments (EIA) and Initial Environmental Examinations (IEE) as required. Additionally, we conducted Biodiversity and Environmental Assessments to identify potential risks and develop strategies to mitigate them. To minimise the project’s environmental footprint, we introduced new technologies at the construction stage. For example, we used screwing technology for pole placement instead of manual digging, which will reduce top soil removal and prevent soil erosion. We measure noise and vibrations in hydro power projects and take adequate measures to reduce it. We also provide appropriate Personal Protective Equipment (PPE) to workers on-site to ensure their safety. Our project designs are aligned with environmental and social impact mitigation plans. We revise or re-design the initial project plan according to recommendations received from relevant authorities to mitigate environmental impacts.
	Data is unavailable as the solar power projects have not yet reached the end of its operational lifecycle.
	N/A

Description/Topic	Index/Code	Requirement/Metric	Unit of Measurement
Governance			
Materials sourcing	RR-ST-440a.1	Description of the management of risks associated with the use of critical materials	N/A – Discussion and Analysis
	RR-ST-440a.2	Description of the management of environmental risks associated with the polysilicon supply chain	N/A – Discussion and Analysis
Activity metrics	RR-ST-000.A	Total capacity of photovoltaic (PV) solar modules produced	Megawatts (MW)
	RR-ST-000.B	Total capacity of completed solar energy systems	Megawatts (MW)
	RR-ST-000.C	Total project development assets	Presentation currency
Management of energy infrastructure integration and related regulations	RR-ST-410a.1	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks	N/A – Discussion and Analysis
	RR-ST-410a.2	Description of risks and opportunities associated with energy policy and its effect on the integration of solar energy into existing energy infrastructure	N/A – Discussion and Analysis

	Disclosure
	N/A Note: This disclosure requirement is related to Solar panel and module manufacturing as per standard
	N/A
	35 MW, AC (5 MW * 7 projects)
	LKR 8,602,977,692.00
	Risks and opportunities are analysed and discussed in Strategy disclosures

Stakeholder Management

Where insight meets execution

Our approach

GRI – 2-29

At Panasian Power PLC (PAP), stakeholder engagement is embedded into how we operate and make decisions. It is not a stand-alone process, but a core element in how we manage performance, risk, and long-term value creation.

As we continue to operate within a dynamic regulatory and operational environment, maintaining clear and consistent dialogue with stakeholders remains essential. It enables us to anticipate change, respond with discipline, and ensure that our actions remain aligned to stakeholder expectations and the spirit of PAP.

Stakeholder perspectives are systematically identified, assessed, and incorporated into decision-making, enabling us to balance financial performance with environmental, social, and governance responsibilities. Stakeholder engagement also supports the identification and assessment of climate-related risks and opportunities that could reasonably be expected to affect PAP's strategy, financial performance, and cash flows over the short, medium, and long-term.

Stakeholder engagement model

PAP applies a structured and iterative approach to stakeholder engagement. This proven framework has remained consistent, with continued focus on strengthening how stakeholder insights are evaluated and integrated into decision-making.

In a year defined by disciplined execution and expansion, our structured approach to stakeholder engagement enables us to translate insights into execution, strengthening decision-making, reinforcing accountability, and sustaining long-term value creation.



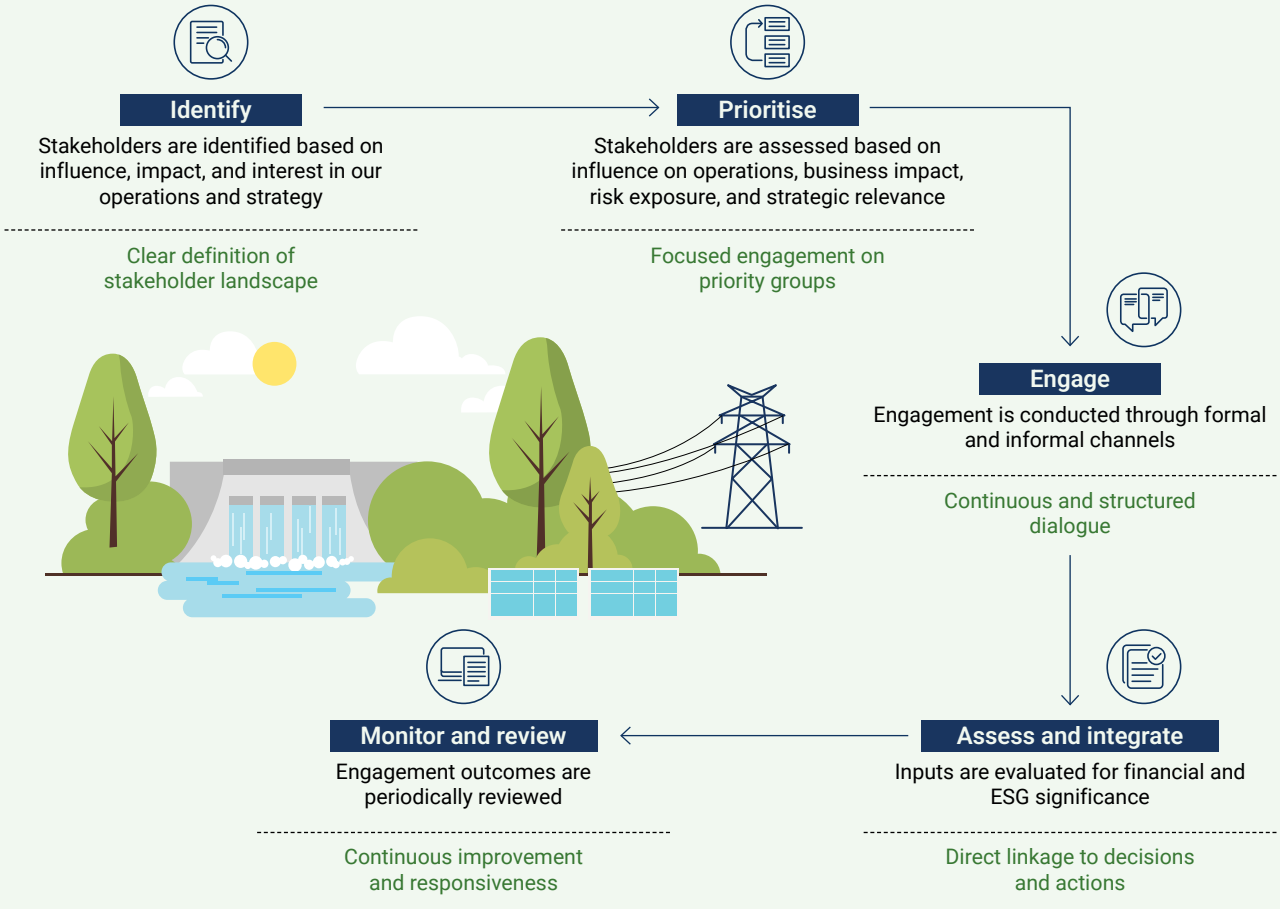
Stakeholder mapping, feedback from engagement activities, evaluation of risks and opportunities, regular reviews, and operational analyses all contribute to supporting this process. Stakeholder inputs are incorporated into the materiality evaluation by assessing both stakeholder importance and potential business impact, enabling the prioritisation of issues that are most critical to value creation, impact, and risk management.

This process informs PAP's approach to identifying, assessing, and prioritising climate-related risks and opportunities, including both physical and transition risks, in line with enterprise risk management processes.

We focus on stakeholders that have a direct or indirect impact on our ability to operate and create value, including:

- Regulators and government bodies, given their roles in licensing, approvals, and compliance.
- Customers, power purchasers, and suppliers, who influence execution and revenue.
- Investors and lenders, who shape access to capital and growth.
- Communities, who influence our social license to operate.
- Employees, who drive performance and innovation.
- Environmental systems, which underpin our operations through their influence on climate stability, hydrological conditions, and ecosystem integrity.

Engagement framework



This ensures that engagement is targeted, proportionate, and aligned with both business priorities and stakeholder expectations.

These processes support the integration of stakeholder insights into our overall governance, strategy, and risk management frameworks, including those related to climate risks and opportunities.

Stakeholder group	Number of stakeholders	Key expectations/interests	Engagement methods	Concerns raised
Shareholders/Investors	222 Institutional investors and 7,887 retail investors	Financial performance, governance, sustainable business practices	AGM, investor meetings, disclosures, communication through Company Secretary	Completion of 35 MWS, ground mounted solar projects. Delivering attractive returns commensurate with risks undertaken
Regulators and Government	Not quantified	Compliance, policy alignment, licensing	Regulatory meetings, submissions	Compliance with all relevant regulations Accelerate positive impact
Local Communities	Not quantified	Environmental impact, local development, employment	Community consultations, CSR programmes.	Generating employment in the localities
Employees	122 employees	Job security, well-being, career development	Internal engagement, HR processes	Market competitive remuneration Conducive and stimulating work environment
Business partners/Contractors	420 Local and foreign business partners	Contract stability, project execution, safety	Project coordination meetings	Fair and timely payment Opportunities for business growth
Lenders/Financial institutions	7 bankers	Financial stability, risk management	Financial reporting, lender engagement	Credit worthiness New business opportunities
Planet, as an indirect stakeholder	Not quantified	Environmental stewardship, climate resilience	Environmental assessments, consultations	Globlal warming lack of natural resources

Planet as an indirect stakeholder

We also recognise the planet as an indirect stakeholder, given the fundamental interdependence between our operations and environmental systems. As a renewable energy business, our performance is closely linked to climate stability, hydrological conditions, and ecosystem integrity. Environmental considerations are therefore embedded across strategic planning, project selection, and capital allocation, supported by impact assessments, regulatory compliance, and mitigation measures.

Climate variability, including extreme weather events and changing rainfall patterns, directly affected operations during the year, reinforcing the importance of diversification, resilience planning, and continuous monitoring. This perspective is further reflected in our approach to biodiversity conservation, water stewardship, and environmental risk management, ensuring that growth is pursued alongside responsible and sustainable practices. These environmental dependencies also represent climate-related physical risks and opportunities that may influence operational performance and long-term resilience.

Capturing and assessing stakeholder feedback

GRI – 2-15

Stakeholder feedback is captured through structured engagement mechanisms and ongoing interactions across the business.

Information obtained is assessed through two lenses:

- Financial Significance: Considers potential impacts on revenue, cost structures, investment decisions, and financial risk.
- Environmental and Social Significance: This considers impacts on communities, ecosystems, regulatory requirements, and ESG commitments.

This combined approach ensures a balanced and consistent assessment of stakeholder priorities, and supports the evaluation of how climate-related risks and opportunities may affect PAP's financial position, financial performance, and cash flows.

Stakeholder engagement performance is monitored through internal reporting processes, including periodic management updates that track interactions, emerging issues, and resolution of concerns.

Frequency	Monitoring mechanism	PAP response/actions
Periodic/Annual	Stakeholder concerns are escalated to the Board and considered in strategic and operational decisions	Deliver returns aligned with risk; ensure long-term stability; pursue growth opportunities; maintain timely and transparent communication
Ongoing	Regulatory developments are monitored by relevant teams, with compliance ensured through internal audit and compliance functions	Align with national priorities; maintain full regulatory compliance; support sector development
Project based/ Ongoing	Issues are identified at site level and escalated as required	Generate local employment; implement CSR initiatives; minimise environmental impact
Continuous	Employee concerns are escalated to HR and incorporated into Group HR strategy	Provide competitive remuneration; maintain a supportive work environment; enable career development; support work-life balance
Ongoing	Concerns are communicated through procurement functions and considered in decision-making	Ensure fair and timely payment; support partner growth; provide training and development opportunities
Periodic	Pricing and transparency Speed and efficiency of service	Timely settlement of banking facilities. Adherence to the loan covenants.
Project based	Identified as “Environmental Stakeholders (implicit)”; further details not provided in source responses	Impacts are assessed through materiality evaluation, operational analysis, and alignment with ESG commitments

Integration into strategy, risk, and decision-making

Stakeholder insights are embedded across core business processes.

- At an operational level: feedback informs process improvements, efficiency, and service delivery.
- Within risk management: stakeholder concerns are incorporated into risk registers and mitigation strategies.
- In project planning: inputs from regulators, investors, and communities inform design, location, and technology choices.

These processes contribute to how PAP evaluates and responds to climate-related risks and opportunities within our strategy and decision-making, including resource allocation and long-term planning.

Material stakeholder issues and resulting material topics are considered in strategic planning, risk management frameworks, and investment decision-making at both Senior Management and Board levels.

Governance and oversight

GRI – 2-16

Stakeholder engagement is supported by defined governance structures. Whilst the CEO holds overall accountability, Senior Management reviews insights and emerging issues, and escalates material stakeholder matters to the Board for oversight and direction. This ensures that stakeholder considerations are consistently integrated into decision-making loops at all levels.

The Board and Senior Management are also responsible for overseeing risks and opportunities identified through stakeholder engagement, including those related to climate, and their implications for strategy and risk management.

Strengthening relations through continuous dialogue

PAP maintains long-term stakeholder relationships through consistent, transparent, and proactive engagement.

- Regulators, through ongoing dialogue and compliance reporting.
- Investors, through regular disclosures and communication.
- Communities, through consultations, community outreach, and development initiatives.
- Employees, through continuous engagement, structured HR processes, and ongoing focus on well-being and development.
- Business partners, through collaboration and fair practices.

A structured grievance mechanism supports this approach, ensuring that concerns are addressed in a timely and accountable manner.

Navigating stakeholder challenges

During the year, the operating environment presented a number of challenges:

- The introduction of a new Electricity Act created uncertainty around licensing and tariffs.
- Restructuring of the Ceylon Electricity Board affected approvals and project timelines.
- These developments impacted EPC-related activities and revenue recognition.

We maintained proactive engagements with regulators, investors, and partners to navigate these challenges and sustain operational continuity. These developments also reflect evolving regulatory and transition-related risks within the energy sector, which are considered in stakeholder engagement and strategic responses.

Looking ahead

As we continue to strengthen our position within the renewable energy sector, stakeholder engagement remains central to how PAP operates.

Our focus is on:

Strengthening the transparency and robustness of our engagements and materiality processes.

Deepening integration of stockholder insights into strategy and decision-making.

Continuously improving our response timelines and how we adapt to changes.

Better understanding the interdependence between our business and environmental systems shaping long-term resilience.

Further strengthening the identification, assessment, and integration of climate-related risks and opportunities into governance, strategy, and risk management processes.

In an environment that demands resilience, discipline, and accountability, our ability to listen, evaluate, and act decisively will continue to define how PAP creates sustainable value.





Operating Environment



While robust technology-driven investments and favourable financial conditions continue to support the global economy, ongoing geopolitical tensions present persistent challenges to commodity markets and inflation expectations.

Global economy – against a geopolitically challenged landscape

Despite pressures from increased trade restrictions and heightened uncertainty in 2025, global economic growth was supported by robust technology-driven investments, favourable financial conditions, a weaker US dollar, and sustained fiscal and monetary support. Nevertheless, ongoing tensions in the Middle East pose a challenge to these positive factors – impacting commodity markets, altering inflation expectations, and tightening financial conditions.

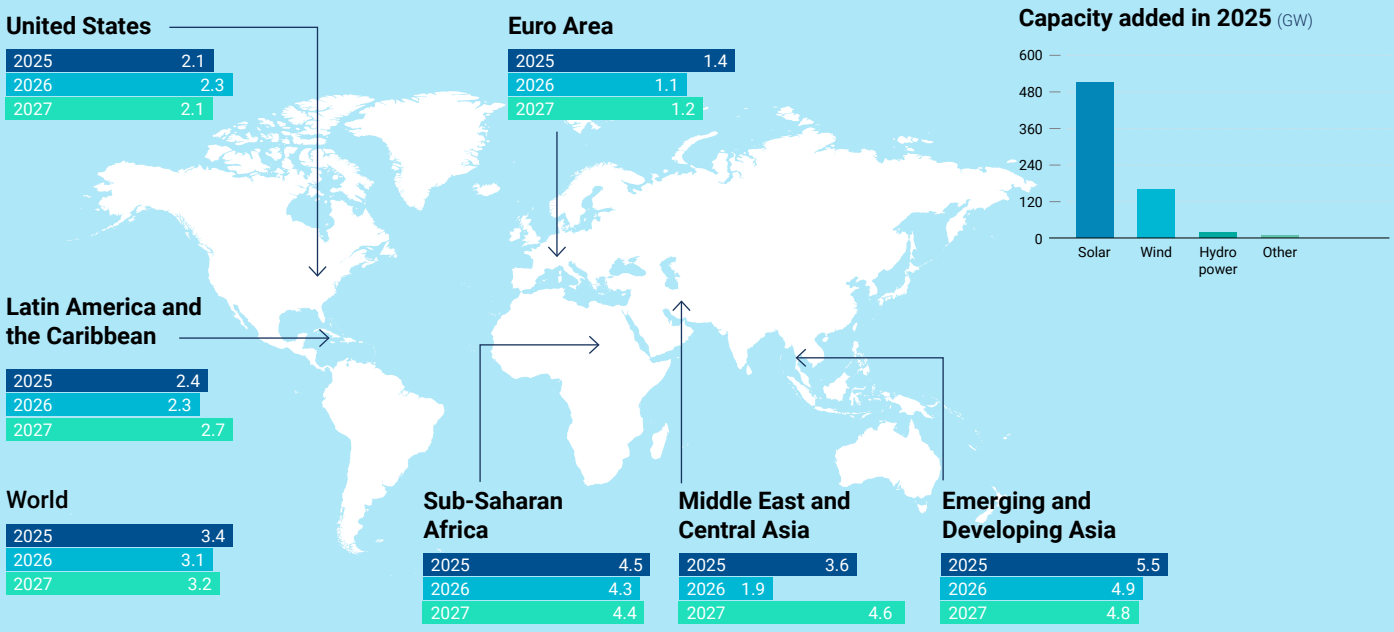
Global economic growth is expected to reach 3.1% in 2026 and 3.2% in 2027, indicating a slowdown from the stronger pace of 3.4% during 2025. Over the medium term, growth is expected to settle around this range. Global headline inflation is projected to reach 4.4% in 2026, signalling an expected increase in energy and food costs, before easing to 3.7% in 2027, assuming short-lived geopolitical disruptions.



World Economic Outlook April 2026

Growth projections by region

(Real GDP growth, percent change)



Year	World	United States	Euro Area	Middle East and Central Asia	Emerging and Developing Asia	Latin America and the Caribbean	Sub-Saharan Africa
2025	3.4	2.1	1.4	3.6	5.5	2.4	4.5
2026	3.1	2.3	1.1	1.9	4.9	2.3	4.3
2027	3.2	2.1	1.2	4.6	4.8	2.7	4.4

Global renewable energy sector in 2025 – dominated by renewable power expansion

Renewable energy sources represented 49% of global installed power capacity at the end of 2025. Nearly 85.5% of additional capacity generated was from renewable sources, mainly driven by the rapid growth in solar and wind power. This notable and steady growth highlights the clear economic value of transitioning to clean energy. The cost-effectiveness and resilience of renewable power have driven new capacity installations to record highs nearly every year since the early 2000s.

Continuing this growth trajectory, 2025 experienced the largest expansion of renewable energy capacity so far, with 692 gigawatts (GW) added, boosting the total renewable power supply by 15.5%. Almost three-quarters of renewable capacity growth emerged from solar power, with 511 GW added, the highest in a single year, with wind power contributing 159 GW (23.0% of total).

Despite this progress, significant imbalances in renewable energy deployment remain. China, the United States, and the European Union collectively contributed 550 GW (79.5%) of new renewable capacity, whereas Africa contributed just 11.3 GW (1.6%) in 2025. Small island developing states increased their capacity by 19.6% over the year; however, with a total of 11 GW of combined renewable energy, they contributed merely 0.2% to the global capacity.

Africa achieved its highest capacity expansion, growing by 15.9% year-on-year (YoY) to 82 GW in 2025, mainly driven by Ethiopia, South Africa, and Egypt. The Middle East also recorded a 28.9% year-on-year expansion, with Saudi Arabia leading the growth in this region.

Climate variability in energy transition

Shifting weather patterns and extreme climate events are causing fluctuations in the demand for energy. Despite the expansion of renewable energy, its efficiency and stability are influenced by extreme temperatures, variable rainfall, and changing atmospheric conditions. Incorporating climate data and early warning mechanisms into energy planning is crucial for ensuring reliable and sustainable power systems.

Outcomes from policy shifts

Policy changes over the last couple of years have had mixed impacts on the expansion of renewable electricity. While some policy changes such as new investment subsidies, remuneration schemes and regulatory changes have resulted in positive impacts, others have reduced investment incentives without alternative solutions. However, an increasing number of countries are prioritising cost-effective integration strategies.

Key policy developments and their impact on the renewables forecast

Country	Date adopted	Measure	Description	Forecast impact
India	2024	PM Surya Ghar: Muft Bijli Yojana	Provided subsidies for 60% of the investment cost for distributed systems	↑
Viet Nam	2024	Decree 57/2025/ND-CP	Allowed corporate PPAs for the first time	↑
European Union	2024	Electricity market reform regulation (EU) 2024/1747	Required contracts for difference to be used for renewable electricity by 2027.	→
Germany	2025	Solarspitzengesetz (Solar Peak Act)	Suspended subsidies during negative price hours; capped exports to 60% unless smart metres are installed	→
Italy	2025	Ritiro Dedicato	Switched from net metering to net billing	↓
Netherlands	2024	Wet beëindiging salderingsregeling	Switched from net metering to net billing	↓
Poland	2024	Mój Prąd 6.0	Introduced requirements for storage to be eligible for CAPEX subsidy	→
China	2025	NDRC Reform No. 136 electricity market reform	Required contracts for the difference to be used for renewable electricity	→
United States	2025	One Big Beautiful Bill	Phased out tax credits for solar and wind	↓
France	2025	S21 tariff reform	Reduced rebates and cut net-billing remuneration rates for PV < 500 Kw	↓



Key trends to watch in the global power sector in 2026

The global power industry stands at a decisive turning point in 2026. Electricity demand continues to grow at a rapid pace, fueled by sector-wide electrification and surging consumption from data centres and the transport sector. Concurrently, the expansion of renewable energy capacity is easing due to regulatory constraints and oversaturation in certain regions, resulting in challenges in securing funding for new projects. Despite this, when combined, these renewable sources will emerge as the largest source of global power supply. Major trends to observe in 2026 are outlined as follows:

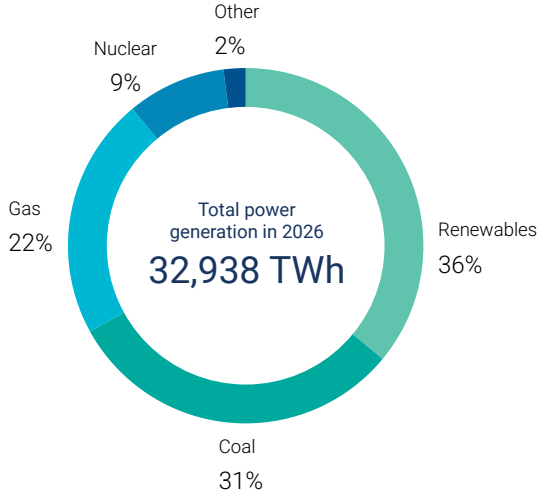
- **Deceleration in the expansion of renewable power generation**

Exponential growth in the renewable energy sector in 2025 was largely driven by the commissioning of nearly 300 GW of new solar photovoltaic (PV) capacity in China during the first half of the year, representing more than 50% of the world's total installed solar capacity in 2025. The forecast for 2026 anticipates the country commissioning 235 GW of solar PV and 98 GW of wind power capacity, marking a decline compared to 2025, mainly due to the renewable pricing policy change in 2025.

- **Combined, renewable energy will overtake coal as the dominant source of power supply**

Although global installed capacity growth is slowing, renewable energy generation is set to keep expanding rapidly. Generation from renewables is expected to reach 11,900 terawatt-hours (TWh) in 2026, surpassing coal as the largest contributor to global power supply. With renewable sources supplying new demand, coal output has plateaued, signalling a notable shift in global power generation.

Total power generation in 2026 (%)



- **Battery capacity is scaling at an exponential rate**

With renewables moving to the forefront, energy storage is becoming increasingly vital and may help mitigate challenges arising from variable power generation. The capacity of battery energy storage systems (BESS) increased by 99 GW in 2025, reaching an overall installed capacity of 241 GW. An additional 122 GW is forecasted to be added in 2026, increasing the total operational capacity to 363 GW, marking a 50% increase. This rapid growth is largely driven by the continuous reduction in BESS costs, which dropped by 30-50% over the last couple of years.

- **Re-emergence of nuclear power**

In 2026, nuclear energy is witnessing a revival, fueled by concern over energy security, decarbonisation, and the challenges of depending solely on renewables and storage. Nuclear power is estimated to contribute approximately 14 GW of new capacity this year, representing its largest net growth in almost three decades. While China is expected to commission the bulk of the new capacity, countries such as India, Bangladesh, Türkiye, and South Korea will also contribute towards this growth.

- **Demand from the commercial and transport sectors will gain momentum**

Global electricity demand is expected to grow rapidly in 2026, driven by rising consumption in the commercial and transport sectors in mature markets and robust industrial demand in emerging economies. Recent data indicates that global power demand reached approximately 29,300 TWh in 2025, reflecting a 3.6% YoY growth, and is expected to reach nearly 30,400 TWh in 2026, representing an increase of 1,100 TWh. The industrial sector is expected to witness the highest growth, with an addition of roughly 470 TWh, driven by the rising industrial expansion across Asia. However, electricity demand from the commercial sector is expected to surpass 6,900 TWh, growing by 5.1% (337 TWh), with one-third of the increase driven by new data centres, especially in the US, where demand is projected to increase from 270 TWh to 343 TWh. Meanwhile, demand from the transport sector is expected to reach 665 TWh, growing 10.8% annually and surpassing growth in other sectors, despite its smaller overall contribution.

Sri Lankan economy – gradual recovery and stabilisation in 2025

Sri Lanka witnessed continued improvement in its macroeconomic stability in 2025, supported by significant progress in implementing essential structural and policy changes. Despite experiencing severe domestic and global disruptions, the economy remained resilient. This demonstrates the effectiveness of strong policy measures in building safeguards alongside notable progress in re-establishing stability and strengthening economic fundamentals.

After an eleven-month deflationary period, inflation returned to positive levels in August 2025. Subsequently, inflation gradually picked up and remained steady for three months from October through December 2025. Even though food prices increased slightly in December, owing to supply chain disruptions resulting from Cyclone Ditwah, overall inflation remained steady.

External sector performance strengthened in 2025, with the current account expected to have recorded a surplus for the third straight year. The Sri Lankan rupee depreciated against the US dollar by 5.6%. Despite servicing the highest post-crisis external debt obligations, the country's gross official reserves increased by the end of 2025, bolstered by large net foreign exchange purchases by the Central Bank of Sri Lanka and inflows from multilateral organisations.

The Gross Domestic Product (GDP) growth rate for 2025 is estimated at 5%. Agriculture, Industry, and Services expanded by 1.4%, 7.8%, and 3.3%, respectively, contributing 8.4%, 25.4%, and 54.6% to GDP, alongside 11.6% from taxes, less subsidies on products.

The GDP forecast for 2026 and 2027 indicates a shift towards a sharper-than-expected slowdown, largely driven by intensifying geopolitical tensions resulting in higher oil prices. In light of these developments, the economy is expected to grow by a mere 2.9% in 2026. Over the medium term, economic growth is projected to remain steady at around 3.1% per year between 2027 and 2030, indicating a more subdued outlook, compared to the previously 4% to 5% medium-term outlook, indicating a widening disparity in growth expectations.

The reduction in estimates reflects increasing external challenges, such as increased oil import costs and geopolitical uncertainties. These conditions are expected to impact the external account, inflation, and overall economic performance. While restrained government spending and subdued consumer demand were earlier viewed as factors behind the slowdown, changing geopolitical dynamics are now more influential.

Sri Lanka's Balance of Payments (BoP) may experience moderate pressure. Exports, remittances, and tourism inflows are expected to slow down slightly, alongside an increased oil import bill.



Supported by critical policy reforms, Sri Lanka strengthened its macroeconomic stability in 2025, securing a current account surplus for the third consecutive year and expanding gross official reserves despite servicing its highest post-crisis external debt obligations.



Renewable energy sector in Sri Lanka

Sri Lanka is progressing towards an energy transition with clear national goals and considerable renewable energy potential, aimed at achieving long-term sustainability. By 2024, the nation had realised 63.2% renewable electricity capacity, establishing a strong foundation for its 70% target by 2030, and the ultimate aim of 100% renewable power by 2050.

Recent milestones achieved include:

- In June 2025, the Ceylon Electricity Board (CEB) achieved an average of 70% electricity generation from renewable sources, driven by upgraded hydro, solar, and wind infrastructure.
- Commissioning of the 100MW Siyambalanduwa Solar Power Park (anticipated in 2026), the expansion of rooftop solar installations (appox. 2,090 MW as per the PUCSL, by end of September 2025 over 129, 300 rooftop connections)the introduction of additional mini hydro and agri-waste biomass capacity.

Notable renewable energy sector developments in 2025

Renewable energy development plan for 2025 to 2030 has been given Cabinet approval.

The Cabinet has approved this development plan, which aims to support the expansion of renewable energy capacity in line with policy objectives. It targets meeting 70% of the nation's electricity from renewable sources by 2030, and attaining carbon neutrality by 2050. The plan highlights three key priorities:

Identifying and prioritising suitable land for renewable energy projects

Developing a national renewable energy map

Setting timelines for developing renewable energy parks

50 MW Sampur Solar Power Project launched together with India's NTPC Limited

India's NTPC Limited will develop a 50 MW (extendable to 120 MW) solar project through Trincomalee Power Company Limited, a 50:50 joint venture between NTPC and the CEB, with an expected investment of USD 100 Mn.

Launch of the National Renewable Hydrogen Policy, the Integrated National Financing Framework (INFF), and the Just Energy Transition (JET) study

Sri Lanka concurrently launched three initiatives to steer the country towards a more sustainable energy future.

The National Renewable Hydrogen Policy outlines a strategy to develop the country into a regional hub for hydrogen and its derivatives. With its extensive renewable energy potential, Sri Lanka is ideally placed to harness hydrogen technologies and reduce emissions in power generation, while boosting energy security and encouraging foreign investment.

Supported technically by the United Nations Development Programme (UNDP), the INFF outlines actionable recommendations to unlock and coordinate multiple sources of finance across the public and private sectors, both domestic and international, to drive a fair and inclusive renewable energy transition in the country.

The JET study offers a comprehensive evaluation of how the country can move from fossil fuel dependence to renewables equitably and inclusively. Based on stakeholder consultation, the study highlights strategies to ensure vulnerable groups, workers in conventional energy sectors, and future generations benefit from this transition. By incorporating inclusivity, employment, gender equality, economic stability, community involvement, and fiscal strength, the JET approach highlights how climate action can be aligned with wider social and economic objectives, ensuring alignment with the United Nations Sustainable Development Goals (SDGs).



Incentives and investment support

International funding from multilateral institutions and bilateral partners plays a vital role in the country's shift towards renewable energy.

- **Asian Development Bank (ADB)**

Sri Lanka has received financing totaling over USD 430 Mn. for grid upgrades, integrating renewable energy sources, and wind power development.

- **World Bank Group**

A programme titled "Secure, Affordable, and Sustainable Energy for Sri Lanka" has been launched to enhance energy security, encourage private sector investments, and address financial risks in the power sector. Total funding for this project would be USD 150 Mn.

- **Offshore Wind Roadmap for Sri Lanka developed by the World Bank**

This roadmap identifies 56 GW of offshore wind potential via two development pathways. First, a low-growth scenario targeting 2 GW by 2050, and second, a high-growth scenario reaching 4 GW by 2050 with the option of regional interconnection for electricity exports.

- **Government incentives**

Incentives include simplified approval processes through the Sri Lanka Sustainable Energy Authority (SLSEA), competitive bidding, developer awareness programmes, and a dedicated committee facilitating coordination among multiple government agencies.

Outlook

The future of renewable energy in Sri Lanka is defined by ambitious goals and detailed planning aimed at fully decarbonising the electricity sector:

Vision for 2050

The long-term goal for 2050 envisions 100% of renewable electricity generation.

- **Energy security and economic gains**

The shift towards renewables could potentially reduce fuel expenses by USD 18-19 Bn. by 2050, compared to a coal-dominated scenario. Apart from saving costs, expanding renewable energy will limit exposure to fluctuating fossil fuel prices, improve the trade balance by cutting imports, and generate substantial employment in green sectors.

- **Modernising the power grid and energy storage**

The projected peak demand of 12,000 MW by 2050 will necessitate advanced demand management systems and energy storage. The evening peak shortfall may reach 3,600 MW by 2050, requiring approximately 15,000 MWh of storage capacity combining pumped hydro, batteries, and other innovative technologies.

- **Research, development, and innovation**

Priorities for research, development, and innovation include pilot floating solar projects, offshore wind expansion, wave energy evaluations, green hydrogen trials, and advanced grid management technologies. Incorporating artificial intelligence and digital technologies will be crucial for effectively managing and optimising complex renewable energy systems.



Creating Value through Connected Capitals

In an increasingly interconnected operating environment, value creation is shaped not by individual capitals in isolation, but by how effectively they work together. Understanding these connections strengthens resilience, supports informed decision-making, and enables sustainable long-term growth.

At PAP, value creation is shaped by the way Capitals interact to support business performance, strategic execution, and long-term growth. Decisions relating to growth, operations, risk management, and investment are considered through a multi-capital lens.

Our ability to expand and strengthen the portfolio depends on the alignment of multiple capitals rather than any single source of value. Capital investment supports growth and asset development, while technical expertise, operational experience, and digital capabilities contribute to efficient project execution and asset performance. At the same time, strong relationships with regulators, communities, financial institutions, suppliers, and other stakeholders support project continuity and operational stability. Together, these interconnected capabilities enable the Company to convert strategic intent into operational outcomes while maintaining focus on resilience, performance, and long-term value creation.

The expansion of our solar portfolio during the year in review illustrates this interconnectedness in practice. Investment decisions, technical expertise, operational capabilities, stakeholder engagement, and regulatory coordination collectively enabled the commissioning of seven solar projects. The resulting increase in generation diversity reduced dependence on a single environmental input.

Natural capital remains fundamental to our business. The performance of our hydropower and solar assets is influenced by environmental conditions such as rainfall patterns, water availability, and solar irradiance. These dependencies reinforce the importance of effective natural capital management and a structured approach to climate-related risks and opportunities. Recognising the environment as a critical stakeholder for success, we continue to strengthen climate adaptation and resilience considerations across our operations, project development, and investment decisions.

The interaction between capitals also shapes how risks and opportunities are managed, ensuring that decisions are informed not only by returns but also by their contribution to portfolio resilience, risk management, and sustainable value creation. Risk management provides an important connecting mechanism across all capitals. Through an integrated governance framework, the Company assesses financial, operational, environmental, regulatory, social, and reputational risks as part of its strategic and operational planning.

Creating sustainable value often requires balancing competing priorities across capitals. Decisions relating to growth, environmental considerations, workforce development, and financial performance are evaluated within a broader long-term context, recognising that outcomes in one area can influence performance across others. This approach supports more balanced capital allocation and long-term resilience.

We seek to create balanced value for shareholders, employees, communities, regulators, and the environment, by considering a broad range of stakeholder perspectives and performance outcomes. This helps ensure that growth, performance, and sustainability objectives remain aligned over the long term.

We recognise that long-term value creation is increasingly influenced by the interaction between environmental conditions, operational performance, technological capability, stakeholder relationships, and financial outcomes. Strengthening these connections supports a more resilient business, enhances our ability to navigate change, and positions PAP for sustainable long-term growth.

Financial Capital

The Group's performance in Financial Capital underscores its commitment to sustainable long-term value creation through prudent capital management, strategic investments across core and emerging business segments, and an unwavering focus on operational excellence.

Turnover	Operating profit	Profit after tax
LKR 2,008 Mn.	LKR 931 Mn.	LKR 1,614 Mn.
Total assets	**Return on equity**	
LKR 9,661 Mn.	54%	

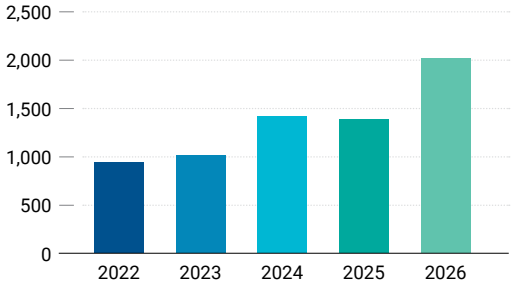
Supported by a stable macroeconomic environment, the Group delivered strong revenue and profit growth as new ground-mounted solar power plants began commercial operations, offsetting weather-related declines in the hydro sector.

Direct cost management drove a substantial increase in operating and net income, which significantly strengthened shareholder funds and market capitalization. This balanced performance reinforces the Group's financial resilience and capacity to deliver long-term value to stakeholders.



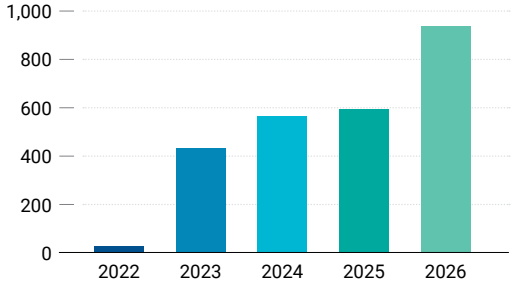
Measuring progress

Revenue (LKR Mn.)



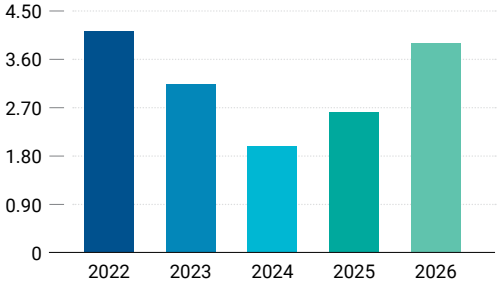
The Group achieved 45% revenue growth during the year as a result of strategic initiatives, highlighting the diversity and resilience of the Group's earnings profile.

Profitability (LKR Mn.)



The Group recorded 57% growth in EBIT, reflecting the success of its value-addition strategy and focus on cost efficiencies.

Net Assets Per share (LKR)



The Group recorded a significant increase in net asset value during the year, supported by continued investments in renewable energy assets and sustained operational growth across the portfolio.

Sustaining strong financial performance and position

Continued macroeconomic stability, supported by stronger economic fundamentals and a stable political environment, created a favorable environment for business growth during the year. Against this backdrop, the Group achieved broad-based growth across its portfolio, with recent investments beginning to make meaningful contributions to overall performance. These developments resulted in a strong financial outcome for the year, enhancing profitability, strengthening cash flows, and reinforcing the Group's capacity to deliver sustainable long-term value to stakeholders.

Year at glance

Financial performance

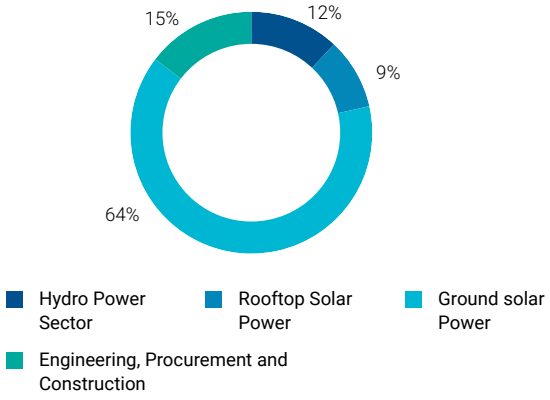
	2026	2025	Variance
Revenue ↑	**2,008,277,141**	1,382,655,766	45%
Gross profit ↑	**1,316,568,655**	858,876,169	53%
EBIT ↑	**931,697,081**	593,283,047	57%
Net Profit ↑	**1,614,348,742**	272,355,403	493%
Financial performance			
Total assets ↑	**9,661,173,973**	6,074,371,059	59%
Total liabilities ↑	**6,685,526,401**	4,508,535,989	48%
Shareholders' fund ↑	**2,166,974,494**	1,454,616,615	50%
Non controlling interest ↑	**808,673,078**	111,218,455	530%
Total equity ↑	**2,975,647,572**	1,565,835,070	90%

Sector wise revenue

The Group recorded revenue of LKR 2,008 Mn. during the year under review, compared to LKR 1,382 Mn. in 2025. The principal contributor to the topline was the ground-mounted solar power segment, which accounted for 64% of the Group's total revenue.

Sector	2026	2025	Variance
Hydropower Sector	**242,153,373**	498,005,746	(51%)
Rooftop solar power	**192,423,480**	211,871,129	(9%)
Ground solar power	**1,293,669,134**	144,680,731	794%
Engineering, Procurement and Construction (EPC)	**280,031,154**	528,098,160	(47%)
	2,008,771,141	1,382,655,766	45%

Revenue composition 2026 (%)

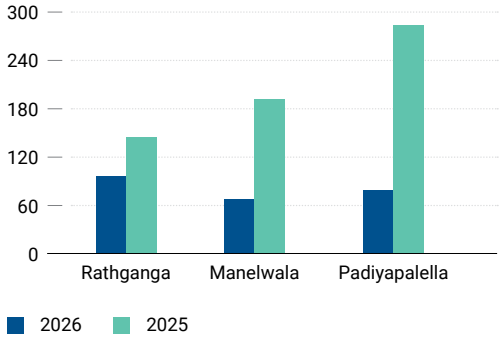


Hydro sector

The Group recorded revenue of LKR 242 Mn. from the hydro sector during the year, compared to LKR 498 Mn. in the previous year, reflecting a 51% decline. This decrease was primarily attributable to adverse weather conditions prevailing in the Nuwara Eliya catchment area, which significantly impacted generation at the Manelwala and Padiyapelella plants.

In addition, on 28 November 2026, Cyclone Ditwah caused partial damage to both facilities, resulting in a loss of generation and associated revenue over the last four months in respect of the Manelwala and Padiyapelella plants.

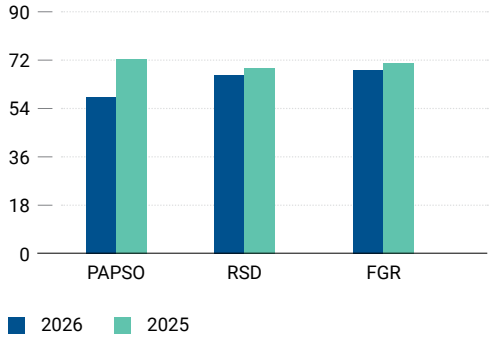
Hydro sector revenue (LKR Mn.)



Rooftop solar sector

Revenue generated from rooftop solar contributed approximately 9% to the Group's turnover. During the period under review, this segment recorded a slight decline in generation due to a few operational and environmental factors.

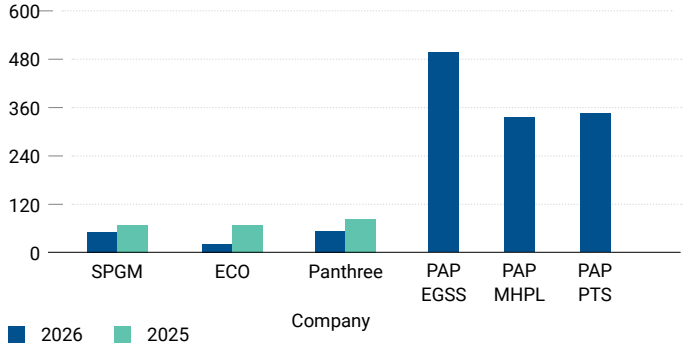
Rooftop solar generation (MW)



Ground mounted solar sector

The ground-mounted solar power sector recorded a tremendous growth in revenue in 2026, driven by the commencement of operations of seven ground-mounted solar power projects with a total capacity of 35 MW.

Ground mounted solar generation (LKR Mn.)



EPC sector

Frequent changes and uncertainties in government policies relating to the power and energy sector created an unpredictable operating environment for EPC customers during the year under review. In particular, the revisions to rooftop solar policies and the reduction in the solar feed-in tariff per kWh significantly undermined investor confidence, resulting in delays and reduced interest in new rooftop solar installations. These policy changes adversely affected the growth momentum of the rooftop solar segment and weakened the investment outlook within the sector.

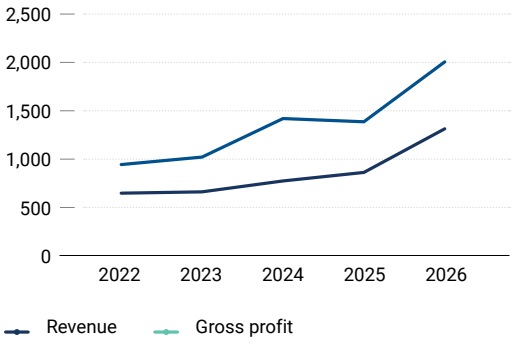
Profitability

As a result of the commencement of seven new ground-mounted solar power projects, the Group's profitability improved significantly compared to the previous financial year.

Gross profit

Gross Profit for the period under review increased by 53% compared to the previous financial year.

Revenue vs gross profit (LKR Mn.)

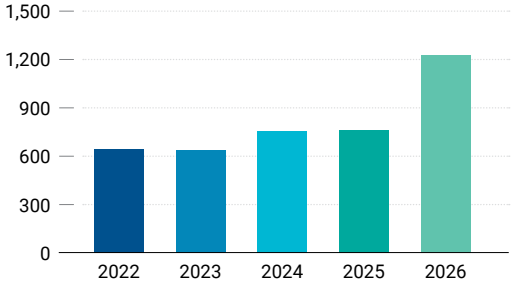


Operating profitability

The Group's operating profit (EBIT) increased by 57% to LKR 931 Mn. during the year, reflecting strong top-line growth and improved core performance of the solar power sector, among others. The Group maintained an EBIT margin at 46%.

Earnings before interest expenses, tax, depreciation and amortisation

Growth in EBITDA (LKR Mn.)



Group EBITDA recorded a substantial uplift during the year, primarily driven by the strong performance of the ground-mounted solar power sector. Encouragingly, all other businesses also contributed positively to EBITDA growth.

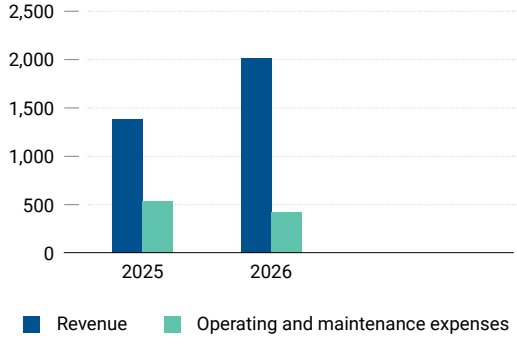
Group operational and maintenance cost

During the year, operational and maintenance expenses decreased by 22% compared to the previous financial year. Regular maintenance and housekeeping activities carried out at site level helped prevent the occurrence of major repairs. In addition, seven ground-mounted solar power plants were connected to the national grid during the year. As these plants are newly commissioned, significant repair and maintenance requirements did not arise during the period.

Accordingly, the operational and maintenance cost-to-revenue ratio remained at a lower level compared to the previous year. Furthermore, these O&M costs include staff expenses, direct and indirect plant maintenance costs, and other overhead expenses. Maintaining these costs at a controlled level demonstrates effective cost management and operational efficiency.

Category	2025/26	2024/25	Variance
Revenue	**2,008,277,141**	1,382,655,766	45%
Operating and maintenance expenses	**417,366,156**	535,749,118	-22%
% of Operating and maintenance expenses from revenue	**21%**	39%	

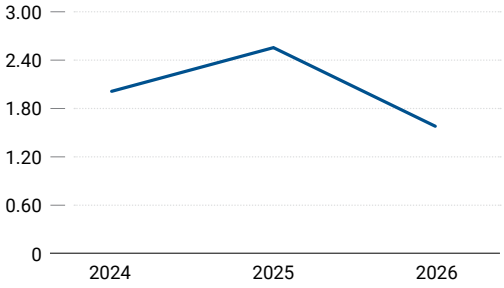
Revenue vs O&M (LKR Mn.)



Net finance cost

During the year under review, the group's net finance costs increased significantly due to the commencement of seven new ground-mounted solar power projects. However, interest rate risk has been effectively managed by maintaining a mix of fixed and variable rate borrowings, as the group primarily relies on fixed income streams. As a result, exposure to market interest rate fluctuations has been appropriately mitigated.

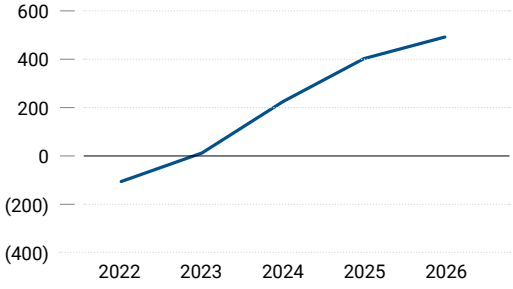
Interest cover (Times)



Profit before taxation

The Group achieved 53% revenue growth during the year as a result of strategic initiatives, highlighting the diversity and resilience of the Group's earnings profile.

Profit before taxation (LKR Mn.)



Taxation

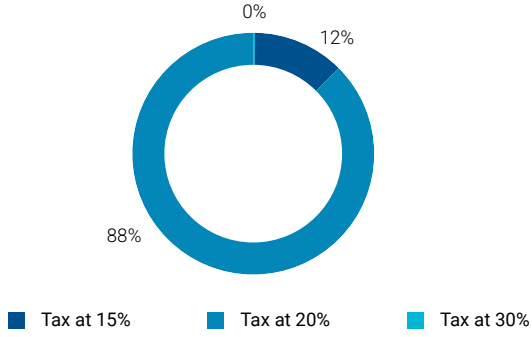
The Group's tax expense for the year reduced significantly following the recognition of deferred tax assets arising from tax losses generated through enhanced capital allowances. The recently commissioned seven ground-mounted solar power projects are eligible for enhanced capital allowances, contributing positively to the Group's overall tax position.

However, the Group's effective income tax rate increased from 24% to 28% during the year due to a reduction in the proportion of taxable income generated from entities subject to the concessionary tax rate of 20%.

Current taxes

The Group's current tax expense decreased by 6% during the year, primarily due to the reduction in revenue generated from the hydro and Engineering Procurement and Construction (EPC) sectors. During the year, the Parent Company was subject to income tax at 30%, while two subsidiaries benefited from the BOI concessionary tax rate of 20%. The remaining companies within the Group were taxed at the standard corporate tax rate of 30%.

Group tax payment by rate (%)



Deferred tax

During the year, the Group recognised a deferred tax asset of LKR 1.1 Bn. arising from enhanced capital allowances claimed on new investments made in ground-mounted solar power projects. These deferred tax impacts were recorded in the financial statements at 30% tax rate.

Profit after tax

The Group's profit after tax increased significantly from LKR 272 Mn. to LKR 1,614 Mn. at Group level. This strong growth was driven by a 45% increase in revenue, improved operational efficiency across business sectors, and the recognition of enhanced capital allowances relating to renewable energy investments.

Other comprehensive income

The Group's other comprehensive income for the year amounted to a positive LKR 1.8 Mn., primarily driven by actuarial gains recognised during the period. As the Group has adopted the cost model for the subsequent measurement of property, plant and equipment, revaluation gains or losses relating to property, plant and equipment have not been recognised in other comprehensive income.

Financial position

Total assets

The year under review was marked by significant investments aimed at expanding capacity and strengthening earnings generation. Investments across several key sectors, including ground-mounted solar, rooftop solar, and hydropower, resulted in the Group's property, plant and equipment increasing by 148% to LKR 6,927 Mn. Consequently, total assets expanded by 59% to LKR 9,661 Mn.

Total current assets decreased by 20% during the year, mainly due to a reduction in cash and cash equivalents. However, trade and other receivables increased significantly as a result of delays in payments from National Operator System (Pvt) Ltd, formerly known as the Ceylon Electricity Board. As at 31 March, outstanding receivables amounted to approximately three months of billing.

Capital structure

Shareholder structure

As at 31 March 2026, PAP maintained a robust capital structure. Total equity attributable to the owners of the group increased by LKR 1,454 Mn. to LKR 2,166 Mn. during the year.

Category	2026 LKR	2025 LKR
Stated capital	**1,030,000,000**	1,030,000,000
Retained earnings	**1,136,974,494**	424,616,615
Equity attributable to owners of the Company	**2,166,974,494**	1,454,616,615

Non-controlling interest

The group's Non-controlling interest (NCI) represents a 17% minority stake in the Padiyapelella hydro power Limited and 49% stake in R-E-D Capital Asia (Pvt) Ltd and its fully owned subsidiaries.

Category	2026	2025
Non-Controlling interest	**808,673,078**	111,218,455

Gearing

There was no material change in the Group's overall gearing position as at 31 March 2026, which remained broadly in line with the previous year. This stable position reflects the strong operating performance of the Group, which offset the impact of additional borrowings raised during the year to fund capacity expansion.

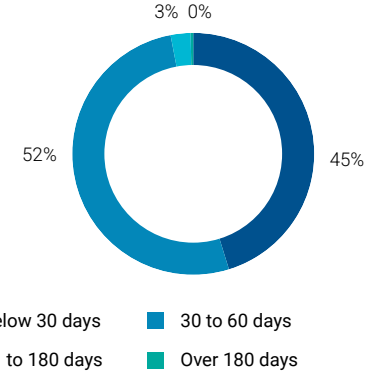
Sector	2026 LKR	2025 LKR
Total Debt	**6,034,724,543**	3,197,083,465
Total Equity	**2,975,647,572**	1,565,835,068
Total Debt + Total Equity	**9,010,372,115**	4,762,918,535
Gearing	**67%**	67%

Working capital and liquidity

Trade receivables

Trade receivables mainly consist of outstanding payments from National System Operator (Pvt) Ltd (formerly known as Ceylon Electricity Board) in relation to sales of electricity. As at 31 March 2026, the outstanding balance from NSO is approximately equivalent to three months of billing, although the Power Purchase Agreement stipulates a credit period of only 30 to 45 days. This delay has created significant pressure on the Group's cash flow.

Trade debtor age analysis (%)

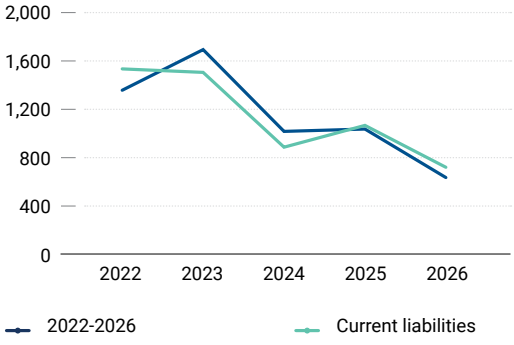


Net current assets position

As at 31 March 2026, the Group's net current asset position reflects a negative balance mainly due to the increase in bank borrowings relating to newly commissioned solar power projects. This situation is common within the renewable energy sector, particularly during periods of expansion, as significant upfront capital investment is required before projects generate stable long-term cash inflows.

The Group expects this position to improve progressively as the newly commissioned renewable energy projects achieve full operational capacity and begin generating steady revenue streams under long-term Power Purchase Agreements. In addition, renewable energy businesses typically benefit from predictable cash flows, relatively low operating costs, and long asset lifecycles, which support gradual strengthening of liquidity over time.

Current assets vs current liabilities (LKR Mn.)

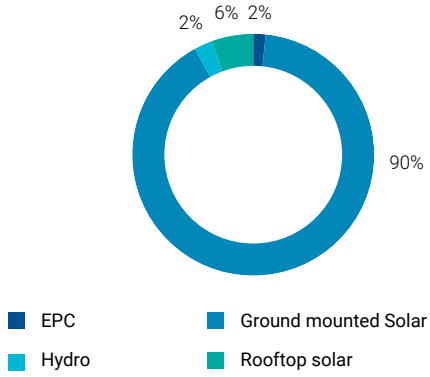


Debt profile

The Group's total borrowings increased by more than 100% to Rs. 6,034 Mn. during the year, primarily reflecting the increased capital expenditure incurred in relation to the construction and commissioning of seven ground-mounted solar power projects. Consequently, borrowings represented approximately 62% of the Group's total assets as at year end.

This increase in leverage is largely attributable to the expansion phase of the Group's renewable energy portfolio, where projects are predominantly financed through long-term debt facilities during the development and construction stages. Such financing structures are common within the renewable energy industry, given the significant upfront capital investment requirements and the long-term nature of project cash flows.

Borrowing by sector 2026 (%)



Cashflow and liquidity

The Group's liquidity management strategy is centered on proactively monitoring forecasted and actual cash flows, maintaining ongoing negotiations and strong relationships with funding partners, and ensuring the availability of optimal financing arrangements to support operational requirements and future expansion initiatives. Management continuously evaluates funding structures to maintain adequate liquidity while supporting the Group's long-term growth in the renewable energy sector.

During the latter part of the 2025/2026 financial year, the approximately three-month delay in payments from National System Operator (Pvt) Ltd ("NSO") created significant stress on the Group's cash flows and working capital management. In response, the Group continued to closely monitor liquidity levels and strengthen cash flow planning processes.

Accordingly, when obtaining new banking facilities, the Group remained highly vigilant regarding market interest rate movements. Recent borrowings were therefore structured through an appropriate mix of fixed and variable interest rate facilities, with a significant portion secured at fixed interest rates, taking into consideration the stable and predictable nature of the Group's revenue streams under long-term Power Purchase Agreements.

In addition, all foreign currency denominated liabilities are appropriately hedged through forward exchange contracts and similar arrangements in order to minimise the impact of exchange rate fluctuations on the Group's cash flows. This risk management approach assists the Group in maintaining greater certainty over future cash outflows and reducing exposure to adverse currency and interest rate volatility.

Collectively, these measures are expected to significantly support the effective management of the Group's cash flows, strengthen financial resilience, and reduce exposure to adverse external market fluctuations and temporary liquidity pressures.

Investor relations

Panasian Power PLC is committed to maintaining transparent, constructive, and continuous engagement with its shareholders and other stakeholders. The Company facilitates effective communication through multiple engagement platforms, including the Annual General Meeting, publication of the Annual Report, quarterly reporting to the Colombo Stock Exchange, periodic press releases, and other corporate announcements.

Through these channels, the Company seeks to provide timely, meaningful, and relevant information to shareholders in order to support informed decision-making and promote a clear understanding of the Group's strategic direction, operational performance, and financial position.

Shareholder return

The Group continues to deliver on its commitments to shareholders, with shareholder returns demonstrating a notable improvement during the year. Earnings per share increased from LKR 0.40 to LKR 1.34, reflecting the Group's enhanced profitability and improved operational performance during the period.

Meanwhile, net assets per share has increased from LKR 2.33 to LKR 3.47. This movement should be read in conjunction with the restatement of the Group's financial statements over the last three years, arising from a change in the subsequent measurement policy of property, plant and equipment from the revaluation model to the cost model. This change in accounting policy has resulted in a revision of previously reported asset values and, accordingly, impacted the net assets per share position.

Shareholders returns

	Metrics	2026	2025	Variance
Net assets per share	LKR	**3.47**	2.33	50%
Dividend per share	LKR	**0.20**	–	100%
Company market capitalisation	LKR	**12,250,000,000**	4,312,500,000	184%
Price earnings ratio	No of times	**14.64**	18.80	(15%)
Dividend yield ratio	Percentage	**1.02%**	–	100%
Dividend payout ratio	Percentage	**15%**	–	100%
Dividend cover	No of times	**6.6**	–	100%

Value creation during the year

GRI – 201-3, 201-4, 204-1

As part of its commitment to corporate responsibility, the Company ensures the equitable distribution of financial value added among its stakeholders, extending beyond shareholders to include employees, lenders, and the government. The Statement of Value Added Distribution provides insight into how the value generated by the Company is allocated among these key stakeholder groups through employee remuneration, financing costs, tax contributions, and shareholder returns, as well as reinvestment retained within the business to support sustainable growth.

This transparent disclosure underscores the Company's dedication to balancing the interests of all stakeholders and fostering a sustainable business model that contributes to the broader economy and community development.

	2026 LKR	2025 LKR	Variance (%)
Value generated			
Revenue	**2,008,277,141**	1,382,655,766	30
Billing under standardized power purchase agreement	**236,578**	160,072,034	30
Other income	**114,505,633**	16,920,322	577
Finance income	**43,027,870**	43,214,124	0
Impairment reversals	**–**	7,444,027	(100)
Share profit of equity accounted investees	**–**	3,059,113	(100)
	2,166,047,223	1,613,365,386	34
Value Distributed			
Operational Cost	**648,598,380**	625,463,251	4
Salary and wages	**228,441,518**	161,701,133	41
Payment made to fund providers	**473,376,717**	233,044,135	103
EPF and ETF	**17,438,474**	13,840,349	26
Corporate taxes	**168,582,558**	179,234,094	(6)
Expenses on CSR	**2,085,865**	6,833,166	(69)
Total	**1,538,523,512**	1,220,116,128	26
Value retained			
Depreciation and amortisation	**300,420,946**	167,604,473	79
Profit after tax (without deferred tax)	**327,102,764**	225,644,785	45

Value distribution analysis

Stakeholder	Deliverables	2026	2025	Variance
Employees	Salaries, wages and other benefits	**228,441,518**	161,701,133	41
Governmental	Taxes/statutory payment	**186,021,032**	193,074,443	-4
Community	CSR activities	**2,085,865**	6,833,166	-69
Lenders	Interest payments	**456,284,483**	225,449,465	102
Partners in supply chain	Service charges and payment	**648,598,380**	625,463,251	4

Manufactured Capital

Overview of asset portfolio: Our asset base continues to expand through a diversified combination of renewable energy sources, driving sustainable growth in installed capacity and operational efficiency.

Mini hydropower projects
9.8 MW

Ground-mounted solar PV projects
41 MW

Rooftop solar PV projects
3.5 MW

Rooftop greenhouse solar PV projects
4 MW

Total installed capacity
58.3 MW

Resilient assets support consistent energy supply

Manufactured capital is reinforced through the sustained investment in reliable infrastructure, advanced technological solutions, and effective asset management systems that optimise the performance of renewable energy generation.



Across its portfolio, Panasian Power PLC (PAP) operates 29 renewable energy plants. During the year, seven new projects were commissioned, further reinforcing the power generation base across key strategic locations. These initiatives support portfolio diversification and improve resilience to minimise climate risk.

Asset optimisation and operational excellence

During the year, we continued to strengthen the performance and efficiency of our renewable energy portfolio through ongoing monitoring, proactive maintenance initiatives, and performance-focused operational management.

While prioritising consistent power generation, PAP minimised the risk of unexpected system failures. Through implementation of robust monitoring and control systems, the operational teams were able to detect potential equipment and infrastructure faults well in advance. Scheduled maintenance programs were prioritised, with routine inspections, repairs, and services aimed at ensuring that assets remained in optimal condition.

System upgrades were prioritised strengthening operational performance adaptability, and sustaining the robustness of infrastructure in line with evolving technological requirements. Company maintains a strong focus on predictive and preventive maintenance practices to minimise downtime and ensure steady energy generation. Our focus on reliability-driven operational strategies contributed to seamless plant operations, stronger asset performance, and increased efficiency in power generation over the period.

Additionally, we assessed the potential effects of external operational limitations and weather-induced variability on energy generation. As renewable energy output is heavily reliant on natural elements such as rainfall and solar irradiance variations in climatic conditions continued to impact the power generation.

Solar generation was affected by environmental factors including cloud cover, irradiance levels, dust accumulation, and extreme heat. On the other hand, hydropower generation was affected by shifts in the seasonal rainfall and extreme weather events, all of which have a direct impact on electricity production efficiency. Yet, PAP's approach to operational resilience of its assets, and climate risk-related assessments minimised the impact to generation assets.

Asset efficiency and technological improvements

PAP continued to focus on digital transformation and system upgrades aimed at improving efficiency, reliability, and real-time operational visibility across its operations.

To strengthen operational efficiency, overall visibility and response capability, PAP implemented an AI-based monitoring system across solar installations to detect wildlife movements, unauthorized access, and fire incidents, providing significant benefits in elephant-prone areas such as Anuradhapura, Maho, and Ampara.

In addition, an advanced Supervisory Control and Data Acquisition (SCADA) system, was introduced to improve visibility in to its' solar generation assets enabling staff to accelerate outage response by providing access to data analytics of inverter string level performance.

This provides key features such as:

- Real time plant performance
- Performance anomaly detection and notification

This system provides centralized access to operational data, and supports predictive analytics to improve multi-plant monitoring and informed decision-making.

These factors contributed to a reduction in power curtailments done by the national system operator during the public holidays and weekends. Which translated to an increase in power generation by avoiding power curtailment.

Other key initiatives included transitioning to SAP to support improved enterprise resource planning and streamline operational integration.

These digital integration initiatives across operations managed to improve predictive capability, real-time visibility and enabled proactive operational risk management across assets.

Climate resilience and infrastructure adaptation

PAP remains focused on strengthening the resilience and climate adaptability of its renewable energy assets against climate-related impacts. Shifting rainfall patterns, higher temperatures, and extreme weather events such as floods and landslides have influenced the performance of generation assets. Climate resilience is enhanced through timely engineering improvements and technological upgrades across our portfolio. Key measures include soil stabilisation to limit erosion, upkeep of drainage systems, monitoring of hydrological data and nearby flood levels, and the deployment of emergency and business continuity plans for extreme weather events.

Additionally, to manage risk, necessary insurance policies were in place to cover the damages due to climate related extreme events, which were vital during the recent Ditwah incidents to get the plants back into operation. Furthermore, ongoing monitoring of climatic conditions through the local Meteorological Department improve preparedness and operational continuity.

For climate resilience, PAP's primary selection criteria of new project sites have been evaluation of its exposure to environmental and climate risk during due diligence stage. Anticipated climate-related factors are integrated into investment decisions to enable sustainable long-term portfolio expansion.

Asset portfolio expansion and diversification

The total capacity of the asset portfolio during the year increased from 23.3MW to 58.3MW. Successfully adding 35 MW during the FY, leveraging the scalability in Solar project implementation. to strategically expand its' ground mounted solar portfolio.

Current portfolio mix of Hydro and Solar is 17% and 83% respectively against previous year's figures of 42% and 58%.

We remain focused on pursuing avenues to strengthen and expand our renewable energy mix, guided by a disciplined and value-focused investment approach. PAP focuses on diversification by exploring emerging solutions such as Battery Energy Storage Systems (BESS), and other modern technological solutions aimed at optimizing energy generation efficiency and increasing system flexibility.

Currently, we maintain a robust pipeline at the pre-development stage, consisting of 120 MW of solar capacity and 15.4 MW of hydro capacity. Potential projects are reviewed against key criteria such as expected financial returns, social and environmental impacts, and in alignment with our strategic objectives. These initiatives support responsible portfolio expansion while improving climate resilience and enhancing long-term value creation.

Infrastructure development and grid integration

We identified the need to prioritise grid integration capabilities and infrastructure resilience to support the evolving renewable energy landscape and increasing penetration levels. During the year, the grid experienced a surplus of solar power generation, notably between 10 am and 3 pm. To maintain grid stability, the generation of renewable power was curtailed during this period. This resulted in restricting generation output across all power plants, which in turn affected overall output.

Therefore, we proactively engaged with regulators and the utility, advocating for attractive tariff mechanisms for BESS solutions to enhance grid resilience to enable greater integration of renewable energy. Further to advocated for rolling out "time-of-use" tariffs which intend to influence consumer behaviour to enable "peak shaving" by shifting demand.

PAP is enhancing its infrastructure preparedness by actively engaging in strategic partnerships with tier 1 equipment manufacturers, particularly inverter and battery suppliers. Such collaborations support knowledge transfer through project execution and encourage the adoption of innovative technologies. Considering Sri Lanka's exposure to global renewable energy market conditions, PAP prioritized the use of proven state-of-the-art technologies to ensure the delivery of resilient and reliable projects. Additionally, close coordination with utilities and regulatory stakeholders offers early insights into policy changes and supports the shift towards hybrid energy solutions.

These initiatives are geared towards grid stability and infrastructure resilience while addressing climate-related operational and transition risks linked to renewable energy integration.

Asset lifecycle strategy

PAP adopts a structured framework to manage the lifecycle of its renewable energy assets aimed at reliability, efficient operations, sustainability, and long-term value generation. This approach involves the implementation of the following measures.

Preventive maintenance Supports reliable operations and limits unexpected outages in PAP's solar, and hydropower plants.	**Measures:** – Routine inspections and servicing operations – Real-time equipment monitoring via the SCADA system – Thermal diagnostics and operational condition monitoring – Inverter, transformer, and turbine routine inspections and servicing – Equipment cleaning and calibration activities – Lubrication and replacement of worn-out components – Predictive analytics for identifying faults
Digital monitoring Sophisticated monitoring systems are used continuously to track operations.	**Measures:** – Power generation efficiency – Temperature and vibration levels of equipment – Electrical voltage and frequency stability – Operational deviations
Optimisation of long-term assets Initiatives aimed at optimising the long-term performance of renewable energy assets.	**Measures:** – Benchmarking and performance analysis – Energy prediction and resource evaluation – AI-driven operational optimisation – Strategies to reduce power curtailment – Enhancement in grid integration – Integration of battery energy storage systems – Smart grid systems and automation technologies
Solar optimisation Initiatives aimed at optimising solar assets.	**Measures:** – Efficient solar panel cleaning strategies – Sting performance analysis – Enhancement in inverter efficiency – Anti-soiling measures

These initiatives support climate and operational risk management, while driving improved efficiency, reliability, and sustainable asset performance over the long term.

Environmental footprint of infrastructure

We are dedicated to reducing the environmental impact of our infrastructure through structured environmental management practices and the ongoing tracking of key ecological indicators. PAP assesses and manages the environmental impact of its infrastructure through an Environmental Management System aligned with ISO 14001.

In our efforts to enhance resource efficiency, we undertook the first Scope 1 emissions reporting in FY2025, creating a baseline for future emission reduction targets. These targets will be progressively adopted over time, integrated into employee key performance indicators, and linked to remuneration to drive performance and accountability.

Additionally, PAP performs detailed environmental monitoring across its operational sites including the monitoring of water quality parameters such as pH, dissolved oxygen, temperature, turbidity, Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), soil analysis through core sampling, noise monitoring at site boundaries, population studies to monitor changes in the composition of species and habitat health over time, and air quality monitoring in surrounding areas to support ecological balance. These measures support responsible environmental stewardship and reinforce PAP's commitment to sustainable infrastructure development.

Portfolio system thinking

PAP adopts a portfolio system thinking approach to strengthen resilience and maximize renewable energy generation across diverse natural resources and geographies. Our power generation portfolio is largely reliant on solar irradiance and rainfall, resulting in output that is sensitive to variability in weather patterns. To manage this exposure, assets are strategically positioned across diverse geographic regions and resource categories, thus reducing overdependence on a single generation source. These initiatives support climate resilience by limiting exposure to weather-related variability, reinforcing diversification, and building an adaptable portfolio.

Governance and regulatory compliance

PAP maintains strict adherence to all relevant technical and operational standards governing renewable energy plants in the country, set out by the following entities:

- Public Utilities Commission of Sri Lanka (PUCSL)
- National System Operator (Pvt) Ltd (NSO) (Formerly known as CEB)
- Sri Lanka Sustainable Energy Authority (SLSEA)

Additionally, our operations comply with key regulatory instruments, including the Sri Lanka Grid Code, Distribution Code, Grid Connection Code, renewable energy interconnection guidelines, and all relevant licensing and operational requirements. Collectively, these standards ensure the safe and reliable operation of renewable energy assets in full compatibility with the national grid. Moreover, we maintain compliance with the International Electrotechnical Commission (IEC) and SLS standards throughout the installation and operational phases of all renewable energy projects.

These practices manage compliance risks while supporting safe and reliable operations, reinforcing governance through alignment with international technical standards and national regulations.

Forward asset strategy

We are committed to strategic diversification and expansion of our renewable asset portfolio. The medium-term strategy focuses on the capacity expansion of 5 MW in solar power and 3 MW in hydropower through projects currently in the pipeline.

As part of our diversification strategy, we are exploring BESS opportunities to support grid reliability and sector growth, to facilitate renewable energy adoption. In parallel, to strengthen the resilience of existing assets, continuous improvements are implemented to ensure climate adaptability and mitigate the potential impacts of emerging environmental challenges.



Human Capital

At Panasian Power PLC, we view our people as the foundation of our success and a key driver of sustainable value creation. Through strategic investments in talent development, employee well-being, and leadership capabilities, we continue to build a resilient, high-performing workforce that supports operational excellence, fosters innovation, and drives long-term growth.

Total workforce 122	**Male employees** 103	**Female employees** 19	**New recruitments** 51
Female workforce representation 15.57%	**Female leadership representation** 33.33%	**Payments to Employees** 228.44 Mn.	
Total training hours 226.5 Hrs	**Average training hours per employee** 1.8 Hrs		

Building human capital for sustainable growth

At Panasian Power PLC (PAP), human capital remains a foundational driver of operational resilience, long-term sustainability, and strategic value creation. As the renewable energy sector continues to evolve amid accelerating energy transition priorities, technological advancements, increasing sustainability expectations, and growing operational complexity. The group recognises that its people are central to sustaining a competitive advantage and enabling long-term growth.



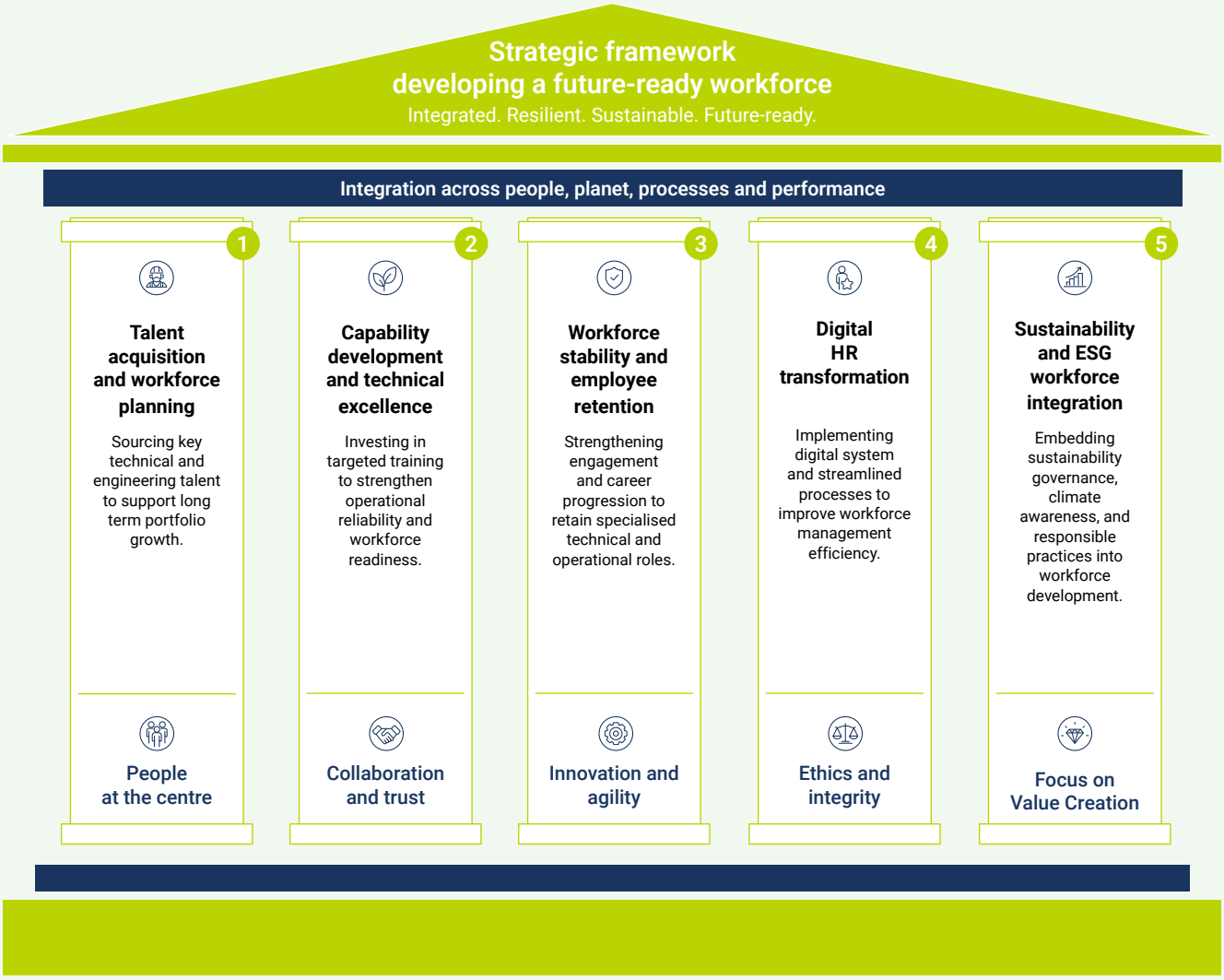
Throughout FY2025/26, the group continued to strengthen its human capital management framework through a combination of strategic workforce planning, capability development initiatives, employee engagement programs, leadership alignment, succession planning, and digital HR transformation initiatives. These efforts were undertaken in recognition of the increasing importance of workforce resilience, talent retention, and long-term institutional capability development.

The year was also characterised by continuing industry-wide workforce pressures, including technical talent shortages, migration-related skills gaps, and increasing competition for renewable energy expertise. This was further exacerbated by evolving employee expectations regarding career progression, workplace flexibility, well-being, and organisational culture. Against this backdrop, PAP remained focused on strengthening workforce stability, enhancing employee engagement, and developing the technical and leadership capabilities required to support future growth.

Human capital management at PAP extends beyond traditional workforce administration. The company views its employees as strategic contributors to operational reliability, innovation, sustainability integration, project execution capability, stakeholder confidence, and long-term value creation.

Importantly, the group continued embedding sustainability principles into workforce development practices, recognising the increasing linkage between performance, organisational resilience, operational continuity, and long-term competitiveness. This included strengthening the safety culture, enhancing diversity and inclusion practices, supporting employee well-being, and developing workforce competencies aligned with renewable energy transition requirements.

Human Capital Strategy



PAP's human capital strategy is aligned with its broader business vision of strengthening renewable energy generation capabilities while building a resilient, future-ready, and sustainability-oriented organisation. It continues to invest in building technical expertise, operational capability, leadership depth, safety culture, and organisational agility to support the evolving requirements of Sri Lanka's renewable energy landscape.

Talent acquisition and workforce planning

The company continues to strengthen workforce planning mechanisms to ensure the alignment between business growth objectives and future workforce requirements. As renewable energy operations continue to expand across the solar and hydropower segments, workforce planning remains focused on securing technical, engineering, operational, and project management capabilities required to support long-term portfolio growth.

PAP recognises the increasingly competitive nature of the renewable energy talent market, particularly in technical and engineering disciplines. Accordingly, the company continued enhancing recruitment processes, strengthening employer positioning, and supporting structured workforce planning initiatives during the year.

Capability development and technical excellence

Capability development remains a strategic priority across the group. During the year under review, the company's investment in technical training, engineering capability development, safety awareness, leadership development, digital literacy, and operational competency enhancement has continued.

Moreover, training initiatives were designed to strengthen workforce readiness, operational reliability, and future scalability, while also supporting long-term succession planning and institutional resilience.

Workforce stability and employee retention

Employee retention remains a critical focus area for management, particularly in relation to highly specialised technical and operational roles.

The company continued implementing initiatives aimed at strengthening employee engagement, enhancing career progression opportunities, supporting performance-based recognition, and fostering a positive and collaborative workplace culture.

Digital HR transformation

As part of its broader organisational modernisation initiatives, PAP continued the implementation of digital HR system and technology-enabled workforce management practices.

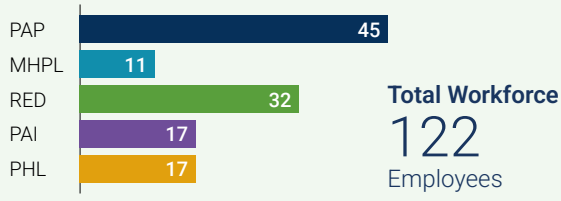
The group's HRIS-enabled digital HR transformation initiatives continued during the year; it also streamlined HR processes, improved employee lifecycle management, and implemented more efficient performance management capabilities.

Sustainability and ESG workforce integration

PAP continues integrating sustainability considerations into workforce development and organisational culture initiatives.

The group recognises that future workforce capability requirements within the renewable energy sector will increasingly require competencies relating to ESG management, sustainability governance, operational resilience, climate awareness, digitalisation, and responsible business practices.

Workforce by Subsidiary

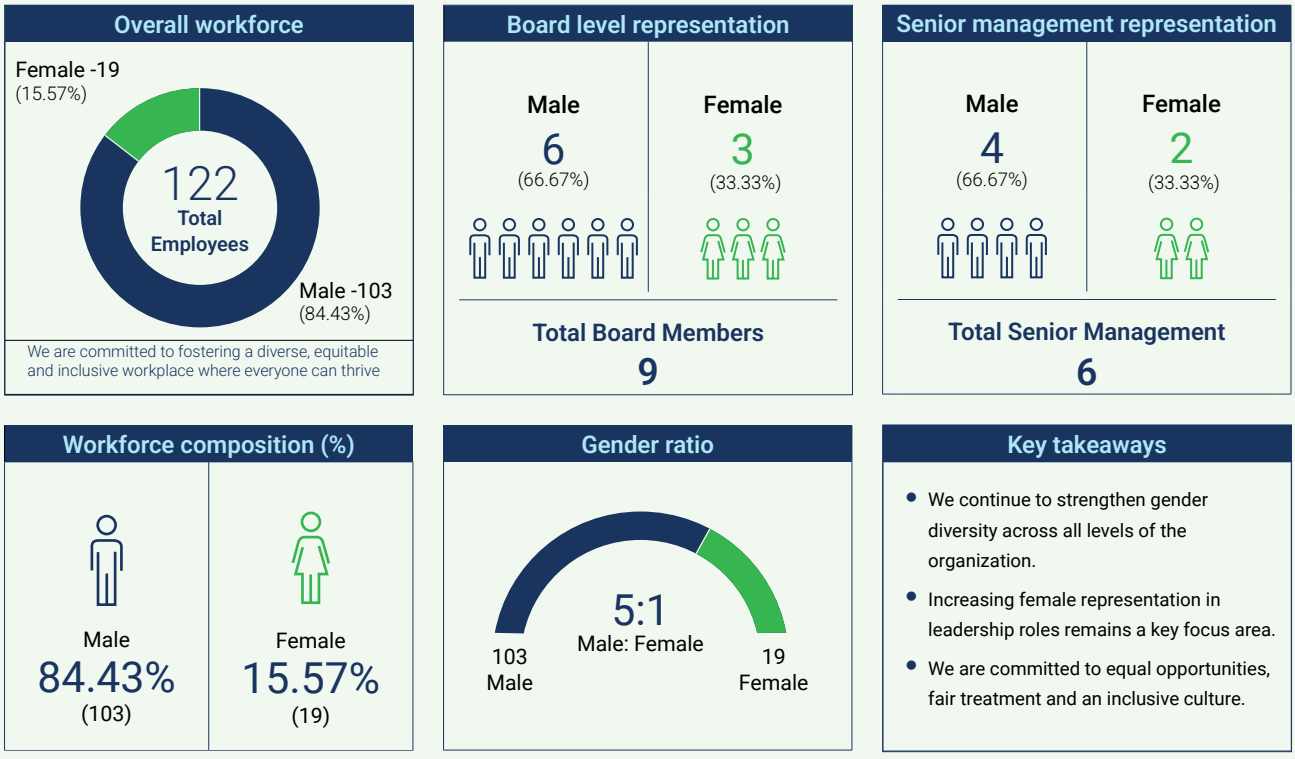




PAP Team

Gender representation dashboard

Building an inclusive and diverse workplace



The group maintained a total workforce of 122 employees during FY2025/26, which reflects its continued organisational strengthening aligned with operational requirements and renewable energy project expansion.

PAP's workforce comprises a combination of technical specialists, engineering professionals, operational personnel, project support teams, management staff, and corporate employees supporting renewable energy generation activities across the group.

The workforce structure reflects the operational diversity of the group's renewable energy platform, encompassing solar energy operations, hydropower generation, project development activities, technical support functions, and corporate operations.

Workforce distribution across entities demonstrates the group's balanced operational structure supporting both project-level execution and centralised management functions.

Female workforce participation remained at 15.67% during the year, while female representation within managerial positions stood at 33.33%, reflecting the progress in strengthening leadership diversity despite broader sector-wide talent limitations within technical renewable energy functions.

PAP fosters a non-discriminatory and inclusive workplace environment where employees are provided equal opportunities for recruitment, career advancement, professional development, and leadership progression.

Leadership, culture, and organisational values

PAP's organisational culture is built around performance, accountability, collaboration, operational discipline, and continuous improvement.

Its people-centric culture encourages initiative, innovation, responsibility, transparency, and cross-functional collaboration. These cultural foundations remain particularly important within the renewable energy sector, where operational reliability, safety discipline, technical coordination, and long-term project execution capability are critical to sustainable performance.

The company's leadership actively promotes a culture focused on operational excellence and responsible business practices while encouraging employees to contribute proactively towards organisational goals.

Throughout the year, the management strengthened organisational alignment through:

- Regular management reviews
- Leadership engagement initiatives
- Enhanced internal communication mechanisms
- Workforce collaboration initiatives
- Digital communication channels
- Organisational values reinforcement programs

PAP also emphasised accountability and ownership across operational functions to strengthen responsiveness, decision-making efficiency, and operational coordination.

Critical cultural attributes supporting long-term success

Core Cultural Attribute	Strategic Importance
Safety-first mindset	Operational continuity and risk reduction
Accountability	Execution discipline and operational reliability
Collaboration	Cross-functional efficiency and knowledge sharing
Agility and adaptability	Responding to changing market and operational conditions
Continuous improvement	Capability enhancement and operational excellence

As the renewable energy sector evolves, PAP believes that organisational culture will remain a key differentiator in attracting talent, sustaining operational resilience, and supporting long-term strategic growth.

Talent attraction and workforce availability

The renewable energy sector in Sri Lanka continues to face increasing challenges relating to technical talent availability, engineering specialisation, project management capability, and workforce retention.

The growing demand for renewable energy professionals, combined with migration trends and increased competition from local and international organisations, has created a highly competitive talent environment across the industry.

PAP recognises that securing and retaining specialised technical expertise remains essential to sustaining operational reliability and supporting future renewable energy expansion.

During the year under review, the company continued implementing targeted recruitment and workforce planning initiatives aimed at strengthening:

- Technical engineering capabilities
- Renewable energy expertise
- Operational support functions
- Leadership succession pipelines
- Project development capability

Despite these challenges, PAP continues to position itself as an employer of choice through:

- Exposure to renewable energy projects
- Career progression opportunities
- Stable long-term employment
- Structured learning and development
- Collaborative workplace culture
- Sustainability-driven organisational purpose

The company also recognises that younger generations entering the workforce increasingly prioritise meaningful and purpose-driven careers, digital enablement, flexibility, and long-term development opportunities.

Talent retention and employee engagement

GRI – 401-1, 401-2



Retention of critical talent remained an important strategic priority for Panasian Power PLC during FY2025/26, particularly across engineering, operational, and technical functions supporting the group's expanding renewable energy platform. As the sector continues to experience increasing competition for specialised talent and migration-related workforce pressures, management remained focused on strengthening workforce stability, employee engagement, and long-term organisational capability.

The company continued to enhance employee experiences through a combination of career development opportunities, structured progression pathways, performance-based rewards, and employee engagement initiatives designed to strengthen morale, collaboration, and workforce cohesion. PAP's people-focused culture supports employee motivation, organisational continuity, and operational resilience across the business.

Employee engagement initiatives implemented during the year included annual trips, employee recognition programs, birthday celebrations, Women's and Men's Day events, team gatherings, social engagement programs, and team-building activities. These initiatives contributed towards fostering a collaborative and inclusive workplace culture while strengthening employee connectivity and engagement across operational locations.

In addition, on 19 March 2026, the company hosted a special celebration event at Cinnamon Life to commemorate the successful grid connection of 35MW of ground-mounted solar power projects across seven locations. The event also served as an opportunity to recognise and appreciate the dedication, commitment, and valuable contributions of employees whose continuous efforts drive the company's success and growth.

PAP Management also continued to support internal mobility, competency development, and structured career progression initiatives aimed at retaining high-performing employees and strengthening leadership continuity across the group.

Training, capability development, and workforce readiness

GRI – 404-1, 404-2

As the group continues the expansion of its renewable energy operations, management remains focused on strengthening workforce readiness, technical competency, operational discipline, and leadership capabilities across the organisation. In addition, this reinforces management's commitment to building technical expertise, improving operational reliability, and supporting long-term institutional resilience. A total of 226.5 training hours were completed during the year, covering technical engineering skills, renewable energy systems, safety and compliance, leadership development, digital literacy, and personal development initiatives.

Training programs were designed to strengthen operational reliability, plant performance, safety culture, workforce adaptability, leadership readiness, and long-term organisational scalability. The company also strengthened future-focused workforce capabilities linked to renewable technologies, digitalisation, and sustainability integration as part of its broader workforce development agenda.

PAP advances its renewable energy growth strategy, the management recognises that continuous learning, workforce adaptability, and technical excellence will remain essential drivers of long-term competitiveness and operational resilience.

Training and development metrics

Indicator	FY2025/26
Total Training Hours	226.5 Hrs
Average Training Hours per Employee	1.8 Hrs

Diversity, equity, and inclusion

PAP remains committed to maintaining an inclusive, equitable, and respectful workplace environment that promotes equal opportunity and diversity across all operational levels.

While technical renewable energy disciplines continue to experience industry-wide gender participation constraints, the management remains committed to progressively strengthening diversity across leadership, technical, and operational functions over the long-term.

The company continued the implementation of non-discriminatory recruitment practices and equal opportunity employment policies designed to ensure fair access to career progression, leadership opportunities, training, and professional development. PAP also takes pride in maintaining a workplace culture based on integrity, mutual respect, collaboration, and professional dignity.



M&E Training session – Mapalagama VTA Technical Students



Training session – Technical team

Diversity indicators

Diversity Metric	FY2025/26
Female Workforce Representation	15.57%
Female Leadership Representation	33.33%
Persons with Disabilities	Nil

Health, safety, and employee wellbeing

Health, safety, and employee well-being remained core operational priorities throughout FY2025/26, particularly given the technical and operational nature of renewable energy generation activities. PAP maintained a strong emphasis on reinforcing safety culture, strengthening operational risk awareness, and supporting safe working environments across all project sites and operational facilities.

The company's safety management approach remained focused on workplace safety awareness, incident prevention, operational risk reduction, safety compliance, and the continuous improvement of workplace safety practices. It prioritises safety awareness programs, operational safety reviews, and employee training initiatives designed to strengthen safe work practices and operational discipline across the organisation.

In addition to operational safety, PAP continued to promote employee well-being through employee engagement programs, supportive workplace practices, collaborative organisational culture initiatives, and employee welfare support mechanisms. The management recognises that employee well-being, workforce resilience, and safety culture remain closely interconnected with long-term operational sustainability and organisational performance.



HSE training session

Workforce risk management and governance

GRI – 404-3

PAP recognises that workforce-related risks can directly influence operational continuity, project execution capability, institutional resilience, and long-term business sustainability.

Accordingly, the strengthening of workforce governance processes and human capital risk oversight mechanisms continued during FY2025/26.

Key workforce risks identified

Workforce Risk	Strategic Impact
Skills shortages	Operational scalability and project execution
Technical talent retention	Capability continuity and operational resilience
Migration of skilled employees	Workforce stability and institutional knowledge loss
Leadership succession gaps	Long-term organisational continuity

Workforce-related risks are monitored through:

- Management reviews
- HR oversight processes
- Operational leadership engagement
- Workforce planning reviews
- Succession planning initiatives
- Safety governance structures

PAP continues the integration of workforce considerations into broader enterprise risk management and long-term strategic planning processes.



Team building session

Workforce contribution to value creation

At Panasian Power PLC, our people are fundamental to delivering sustainable value. Their knowledge, technical expertise, and commitment underpin operational reliability, effective project execution, and the integration of sustainability principles across our business activities.

The contribution of our workforce extends beyond operational performance to supporting local economic development through employment generation, skills enhancement, and community engagement initiatives. By creating opportunities within the regions where we operate, we contribute to broader socioeconomic advancement while strengthening our social license to operate.

Our human capital strategy is closely aligned with the group's sustainability priorities, operational resilience objectives, and long-term growth ambitions. Through continued investment in talent development, employee well-being, and leadership capability, we are building a resilient workforce equipped to support the evolving needs of the renewable energy sector and drive long-term stakeholder value.

Workforce contribution to strategic value creation

Strategic Area	Workforce Contribution
Operational efficiency	Reduces downtime and improves plant performance
Innovation	Process improvements and technical enhancement
Sustainable growth	Renewable energy expansion capability
ESG integration	Sustainability-oriented operational practices
Institutional resilience	Leadership continuity and capability development



Celebrate success – 2025

Community connections and local workforce development

PAP continued to prioritise local employment generation and community participation across project regions as part of its broader commitment towards inclusive economic development and stakeholder engagement. The company recognises that strengthening local workforce participation contributes positively towards regional economic activity, community relationships, and long-term social acceptance of renewable energy projects.

The group continued with its support for local hiring initiatives, workforce development opportunities, stakeholder engagement programs, and economic participation across operational regions. These initiatives contributed towards improving local employment opportunities, supporting skills development, and strengthening community relationships surrounding project locations.

At PAP, community engagement and local workforce participation remain important components of sustainable renewable energy development and long-term stakeholder value creation.

Future workforce outlook

Building the workforce of tomorrow

As the renewable energy sector evolves, PAP expects workforce requirements to become increasingly influenced by technological advancement, digitalisation, sustainability integration, and changing operational requirements. Accordingly, the company remains focused on developing a future-ready workforce characterised by technical expertise, leadership adaptability, digital capability, sustainability awareness, and operational resilience.

Over the medium term, strategic workforce priorities will continue to focus on strengthening engineering and technical talent pipelines, leadership succession planning, digital HR transformation, workforce engagement, and ESG-related capability development. The company also intends to continue strengthening workforce planning frameworks, employee well-being systems, capability development programs, and leadership development initiatives.

Workforce capability, organisational culture, operational discipline, and leadership depth will remain critical differentiators that support PAP's long-term competitiveness, renewable energy growth ambitions, and organisational resilience.

SDG alignment

PAP's human capital initiatives contribute towards several United Nations Sustainable Development Goals (SDGs), including:



Employment generation and income stability



Employee well-being and workplace safety



Female leadership and equal opportunity



Workforce development and employment



Technical capability and renewable energy expertise



Sustainability-oriented operational practices

By maintaining its investment in workforce capability, employee well-being, diversity, sustainability integration, and operational excellence, PAP remains committed to strengthening the long-term social and economic value generated through its human capital platform.



Annual General Meeting 2025



PAP Annual Trip 2025



Children's Day Art Competition Prize Giving Ceremony 2025



Women's Day Celebration



Men's Day Celebration



Renewable Energy Championship Cricket Tournament 2025



Techno IESL Exhibition 2025

Social and Relationship Capital

Our social and relationship capital represents the trust and partnerships that enable us to contribute to Sri Lanka's renewable energy transition. By transforming CSR into strategic social value creation, we ensure energy generation aligns directly with community well-being and local economic inclusion.

CSR spend (LKR)
+ 3.4 Mn.

Employees
122

Community beneficiaries
+ 500

Building trust. Strengthening communities. Delivering shared value.

Social and relationship capital represents the trust, legitimacy, and long-term partnerships that enable Panasian Power PLC (PAP) to operate, expand, and contribute to Sri Lanka's renewable energy transition.

These relationships underpin project continuity, regulatory alignment, and long-term value creation across the Company's renewable energy portfolio.



Our social purpose – powering more than energy

GRI – 413-1

At PAP, renewable energy is not only a technical or infrastructure-driven pursuit, it is also a long-term social contract with the communities in which we operate. Our hydro and solar assets are embedded within rural and semi-rural landscapes where livelihoods, land, water systems, cultural practices, and ecological balance are deeply interconnected. In these environments, energy generation is inseparable from community well-being.

Each PAP project footprint is entrenched within the everyday fabric of surrounding communities, where energy infrastructure and local development evolve side by side. These project areas are not isolated operational sites, but active rural environments where social, economic, and environmental dynamics continuously interact and shape one another.

This creates a dual responsibility:

- To generate clean energy for national development.
- To safeguard and enhance the social and environmental fabric of host communities.

This positioning reflects how community acceptance, land use dynamics, and local ecosystem stability shape the long-term viability of renewable energy operations. These relationships are not peripheral to the business model – they are ingrained within core operations, supporting stable project execution and sustained performance.

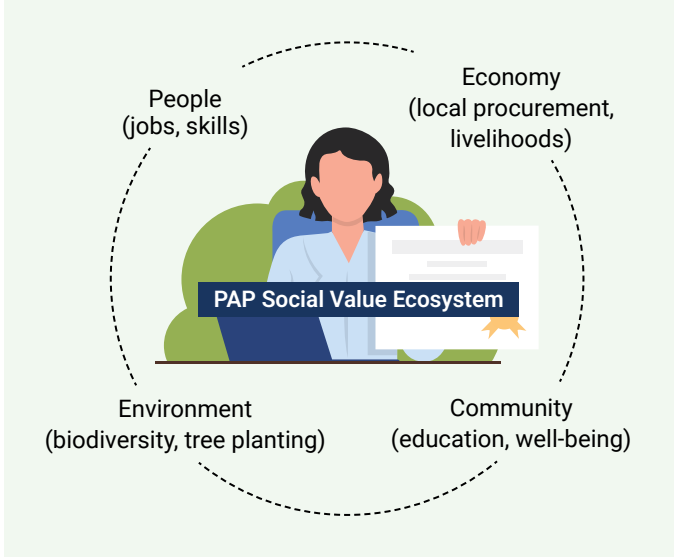
Accordingly, PAP's social value creation is structured around four interlinked dimensions:

- Employment creation and local economic inclusion.
- Skills development and human capital upliftment.
- Community infrastructure and social well-being support.
- Environmental stewardship and ecosystem restoration.

During FY2025/26, this philosophy was translated into action through:

- Completion of two major CSR initiatives.
- Total social investment exceeding LKR 3.4 Mn.

This illustrates a clear evolution – from conventional CSR delivery towards established, project-linked social value creation aligned with operational lifecycles.



Evolving social priorities – from engagement to embedded value

Throughout FY2025/26, PAP's social engagement approach matured further into a structured and continuous relationship model, moving beyond episodic CSR activities. This evolution is visible in how engagement is now inherent in project life cycles.

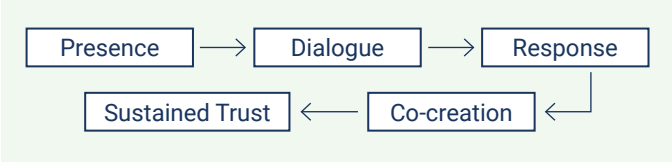
Key shifts during the year included:

- Structured stakeholder meetings which were conducted in Kurunegala project areas.
- Strengthening of public hearings during scoping and technical evaluation phases.
- Continuous grievance handling with direct community responsiveness.
- Environmental restoration activities, including tree planting in Anuradhapura and Galle.
- Cultural integration through participation in Vesak festival activities.

This transition is underpinned by PAP's structured ESG governance framework, where social priorities are identified through the materiality assessment processes and continuously refined through stakeholder engagement inputs. Key community and social risks are also integrated into the enterprise risk management system and monitored through the Board ESG Committee and ESG Management Committee, ensuring that social value creation is directly aligned with both strategic decision-making and formal governance oversight. Importantly, community interaction is no longer episodic but continuous, demonstrating the Company's recognition that social capital is built through sustained presence, dialogue, and responsiveness rather than standalone interventions.

These activities portray a deeper transformation in PAP's approach – from engagement as a compliance requirement to engagement as a strategic enabler of building trust and long-term stakeholder alignment. This shift represents a transition from "social activity reporting" to "relationship-based value creation", where trust functions as an operational asset rather than a communication output.

In essence, PAP's social engagement model has evolved into:



This model also functions as a risk mitigation mechanism, reducing social disruption exposure, approval delays, and community conflict risks in sensitive project environments.

Community engagement – listening, responding, adapting

At PAP, community engagement is not treated as a standalone activity, but as an ongoing process entrenched within the life-cycle of each project, ensuring that local perspectives, concerns, and aspirations are continuously reflected in operational decisions.

PAP's engagement framework operates on a simple but disciplined principle:

Renewable energy must coexist with social acceptance and community trust.

Structured engagement mechanisms include:

- Stakeholder consultations with villagers and local authorities (PS/DS levels).
- Public hearings during environmental assessment processes.
- Pre-project community discussions.
- Formal grievance reporting and resolution mechanisms.
- Continuous field-level informal dialogue systems.

FY2025/26 Engagement Highlights:

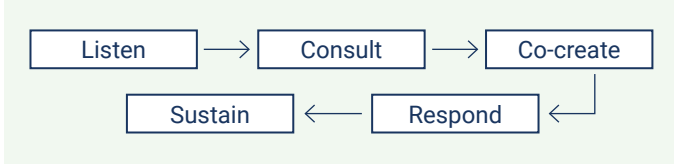
- **Kurunegala:** Structured stakeholder consultations were undertaken to proactively address community concerns relating to construction activities, providing a formal platform for dialogue and early-stage issue identification within the project area.
- **Anuradhapura:** PAP EGSS SOLAR PVT LTD launched a phased tree-planting initiative at the Thirappane 5MW Solar Power Plant in May 2025. In Phase 1, we successfully established the first 50 trees within a designated 1,803-square-meter zone, advancing towards a total target of 300 trees. By integrating carbon sequestration and biodiversity enhancement directly into our renewable energy operations, this initiative strengthens our ecological footprint and reinforces our shared responsibility to the local ecosystem.
- Vesak celebrations: cultural engagement strengthening social cohesion.

These engagements ensure that PAP's presence is not only operational – but relational as well.

Community engagement directly contributes to climate transition resilience by:

- Reducing operational disruption risk.
- Enhancing local acceptance of renewable infrastructure.
- Strengthening the adaptive capacity in climate-sensitive rural regions.

Community Engagement Lifecycle



This continuous engagement approach also helps minimise the risk of operational disruptions, delays, and community-related challenges, supporting smoother project implementation.

Managing community concerns

GRI – 413-2

PAP recognizes that renewable energy development, while environmentally beneficial at scale, must be carefully managed at the local level to avoid unintended social or ecological disruption. To this end, structured systems are in place to manage community concerns across three key domains:

Community and environmental engagement framework

Key Domain	Focus Area	Approach/Actions
Environmental concerns	Environmental impact and stakeholder transparency	• Conduct environmental surveys and community consultations.
		• Public disclosure of Initial Environmental Examination (IEE) reports.
		• Establish formal mechanisms to respond to environmental complaints.
Land use considerations	Responsible land acquisition and stakeholder alignment	• Early-stage engagement with landowners.
		• Structured pre-acquisition consultations.
		• Integration of community feedback into project planning and decision-making.
Operational sensitivities	Social and ecological balance during operations	• Maintenance of ecological flow (e-flow) in hydropower operations.
		• Operational adjustments during religious and cultural events.
		• Prioritisation of community water needs, including for drinking and irrigation.
		• Protection of local water access points.

This ensures that operational efficiency never overrides social or ecological balance.

Community investment

PAP's community investment philosophy is grounded in the principle that meaningful social impact must generate long-term shared value rather than short-term assistance. Accordingly, investments are designed to align with both local development priorities and PAP's operational footprint.

Investment focus areas and key interventions 2025/2026

Investment Focus Areas	Key Interventions
Education infrastructure improvement	• Upgraded facilities at Dutugemunupura Primary School (water systems, sanitation, learning environment upgrades).
	• Library and educational facility enhancements in Hiyare.
Technical and vocational skills development	• Ground level practical trainings (of more than 6 months) were provided to Mapalagama VTA College, at Hiyare 5 MW solar power site, on how to maintain and manage solar energy electrical installations.
Environmental restoration and biodiversity enhancement	• Distribution of learning and recreational support materials in rural schools.

These interventions reinforce PAP's role as a development partner that is established in community ecosystems. This framework functions as a natural system protection mechanism, ensuring that ecosystem dependencies and community sensitivities are incorporated into operational decision-making.

Economic contribution

Beyond direct energy generation, PAP plays a meaningful role in stimulating local economies across its project regions.

- Economic contributions are delivered through:
- Direct and indirect employment opportunities in rural regions.
- Priority hiring from project-affected communities.
- Engagement of local suppliers and service providers.
- Inclusion of regional contractors during project execution phases.
- Hiring a female workforce for manual weeding within solar installations

This localised value distribution ensures that renewable energy development contributes not only to national energy security but also to grassroots economic empowerment and rural income generation.

This structure supports a balanced transition approach, so that economic benefits of the energy transition are distributed equitably across communities and regions. Local economic inclusion strengthens just-transition outcomes by ensuring equitable distribution of climate transition benefits, thereby reducing socio-economic inequality risks associated with infrastructure development.

In addition to local economic impact, PAP's supplier and contractor network strengthens operational resilience by assuring consistent access to materials, services, and technical capabilities across project lifecycles.

These outcomes illustrate how PAP's social and relationship capital contributes to tangible value creation across the ecosystem, strengthening supply chain resilience, enhancing local economic participation, and supporting broader sustainability objectives.


Global Projects
Local Projects
Zambia
Manza
Mini Hydro Power Project – Zambia 9.9 MW
Anuradhapura
Thirappane
Maradankadawala
Maho 5MW
Maho 1MW
Malsiripura
Batticaloa
Kurunegala
Padiyapellala
Pannala
Narammala
Uhumeeya
Mawathagama
Ampara
Manelwala
Lower Kothmale
Padiyapellala MHPP Stage I
Padiyapellala MHPP Stage II
Boralesgamuwa
Kohuwala
Rathganga
Kolonna
Deniyaya
Mattala
Gonnoruwa
Ridiyagama
Galle Baddegama
Beliatta
Matara 3
Galle Hiyare
Matara 2
Matara 1
Matara
Mini hydro power projects
Ground mounted solar power projects
Rooftop solar power projects
Rooftop solar green house projects

Customer relationships

PAP's primary customer, the National System Operator (Pvt) Ltd (NSO) (Formerly known as CEB), provides long-term revenue stability through structured power purchase agreements. This relationship assures demand certainty and supports long-term asset viability, forming a critical component of PAP's financial and operational resilience.

Social license to operate

PAP's social license is earned through consistent trust-building behaviours, not static approval. Social license is not a one-time grant, but a continuously earned outcome of sustained engagement, consistent conduct, and long-term presence within community ecosystems. In contexts where renewable energy infrastructure is closely interlinked with land, livelihoods, and ecological systems, trust becomes a fundamental enabler of operational continuity, rather than an external perception. Social license is therefore treated as a dynamic operational asset, continuously reinforced through behaviour, not statements.

PAP manages its stakeholder relationships as an interconnected system, where trust, transparency, and long-term engagement collectively reinforce operational resilience and sustainability. This continuous reinforcement of trust ensures that operational continuity is not only technically driven but also socially enabled, strengthening long-term stability across project lifecycles.

Key enablers:

- Transparent communication practices
- Ethical operational conduct
- Community employment opportunities
- Environmental stewardship actions
- Continuous stakeholder engagement

Environmental-social integration

PAP's operating model recognizes that environmental protection and social development are not separate outcomes, but interdependent dimensions of the same value system. In renewable energy landscapes, ecological balance and community well-being evolve together, shaping the long-term sustainability of operations.

Environmental-social integration framework

Dimension	Integration Mechanisms	Key Initiatives
Environmental protection and social development	Community participation in project planning	Tree planting programs (e.g., jackfruit, coconut, and fruit trees seedlings distribution among the community)
	Biodiversity protection measures embedded in project design	Agro-voltaic farming initiatives
	Continuous environmental monitoring systems	Climate awareness and renewable energy education programs
	Resource-use dialogue with stakeholders	

These initiatives ensure environmental action produces direct social and livelihood co-benefits. This integrated approach assures that environmental responsibility simultaneously strengthens community resilience, creating shared value across both ecological and social systems.

CSR strategy

PAP's CSR approach is not treated as a standalone program but as a structured extension of its operational and ESG philosophy. It is ingrained within project lifecycles, ensuring that social value creation evolves alongside business expansion and infrastructure development.

PAP's CSR framework is built on three responsibility pillars:

CSR framework

Responsibility Pillar	Key Focus Areas
Social responsibility	Employee welfare and safety
	Community development
	Diversity and inclusion
Economic responsibility	Sustainable project development and operations
	Local economic strengthening
	Responsible procurement
Ethical responsibility	Transparency and governance integrity
	Anti-corruption practices
	Accountability systems

This structure guarantees that CSR is not reactive or fragmented, but strategically aligned with long-term community development priorities and operational sustainability objectives.

CSR prioritisation drivers

Driver	Description
Stakeholder Engagement	Incorporating feedback and expectations of key stakeholder groups.
Materiality Outcomes	Aligning CSR focus areas with identified material ESG priorities.
Community Needs Analysis	Addressing local community requirements through structured assessments.

Measuring impact

PAP is progressively transitioning from activity-based reporting towards outcome-oriented impact measurement, where value creation is assessed not only by inputs but also by tangible community and environmental outcomes over time.

Impact measurement approach

Category	Key Elements
Current Tools	Training evaluation systems
	Feedback mechanisms
	Community engagement tracking
Emerging KPIs	Beneficiary counts per initiative
	Tree planting volumes and survival rate
	Training participation rates
	Community engagement frequency

This evolution shows a shift towards more structured accountability, enabling clearer visibility of how social investments translate into measurable community outcomes and long-term development impact.

KPI table

KPI	FY2024/25	FY2025/26
CSR Spend (LKR)	6.83M	3.4M+
Employees	107	122
Community Beneficiaries	59	+500

Governance and social risk oversight

Social and community-related risks are increasingly recognized as material considerations in project planning and operational continuity. In renewable energy contexts, these risks are closely linked to land use, environmental sensitivity, and stakeholder expectations, requiring structured governance oversight.

Social and stakeholder-related risks are governed through a structured oversight model, involving:

- Board
- Board ESG Committee
- ESG Management Committee

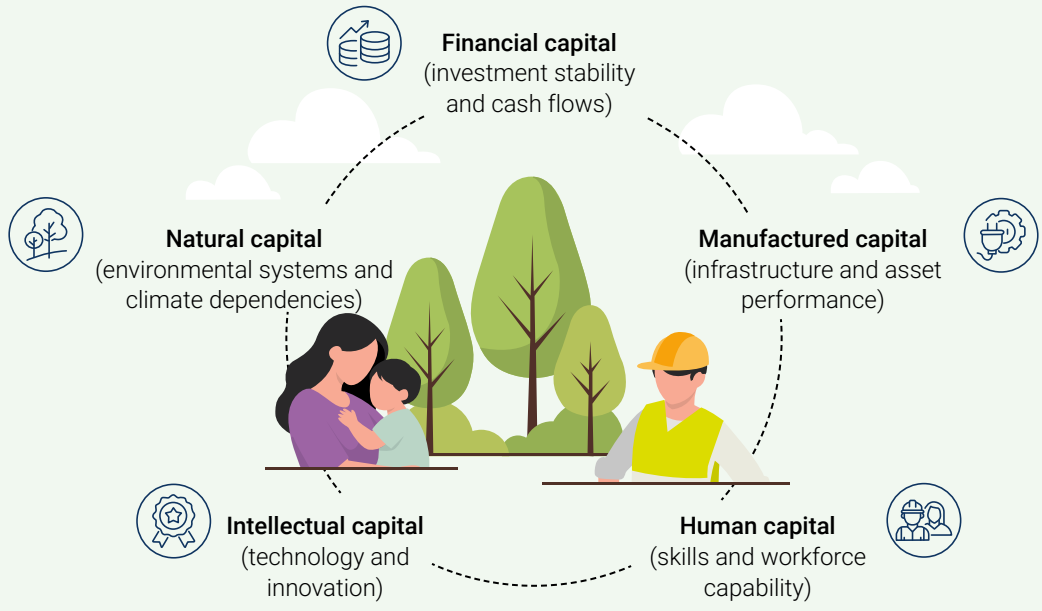
Key social risks monitored:

- Community acceptance risk
- Land acquisition sensitivities
- Workforce health and safety
- Environmental-social conflict risks

This governance structure ensures that social considerations are embedded into enterprise-level decision processes, strengthening both risk management and long-term operational resilience.

Interconnection with other capitals

Social and relationship capital is deeply interdependent with:



- Financial capital (investment stability and cash flows)
- Manufactured capital (infrastructure and asset performance)
- Human capital (skills and workforce capability)
- Intellectual capital (technology and innovation)
- Natural capital (environmental systems and climate dependencies)

This interconnected structure reflects PAP's integrated business model, where climate, social, and financial performance are mutually reinforcing. This interdependence highlights how social and relationship capital support financial performance, asset utilization, and long-term sustainability, reinforcing PAP's integrated value creation model.

Future direction – climate-resilient and inclusive communities

Looking ahead, PAP envisions its social role evolving in alignment with the accelerating energy transition and the increasing interdependence between climate resilience, community stability, and sustainable economic development. As renewable energy infrastructure expands into more climate-sensitive and community-integrated environments, PAP recognizes that long-term success will depend not only on capacity growth, but also on the strength and adaptability of the communities within which it operates.

Future priorities include:

- Climate-resilient rural communities
- Inclusive employment ecosystems
- Expanded renewable energy awareness
- Decentralised clean energy access

In advancing these priorities, PAP aims to deepen its role as a development partner by integrating community resilience considerations into project planning, strengthening local skills to support evolving energy systems, and enhancing awareness of sustainable practices that align with environmental and socio-economic outcomes.

This forward-looking approach also emphasizes proactive engagement, ensuring that communities are equipped to adapt to environmental and economic shifts associated with the energy transition, while benefiting from new opportunities in renewable value chains. This ensures that growth in renewable capacity translates into shared resilience and inclusive prosperity.

Social capital as strategic capital

PAP's social and relationship capital is not peripheral to its business model – it is central to its long-term sustainability. By integrating community engagement, economic contribution, and environmental stewardship into its operational DNA, PAP strengthens both its social license to operate and its strategic resilience.

As climate and social expectations continue to converge, PAP's evolving approach positions it not only as a renewable energy producer, but also as a long-term partner in national development and community transformation. Its ability to align infrastructure development with community priorities, environmental stewardship, and inclusive economic participation reinforces the durability of its operating model in an increasingly complex and climate-sensitive landscape.

More importantly, this approach enables PAP to move beyond traditional value creation, ingraining trust, resilience, and shared outcomes into the core of its growth strategy – guaranteeing that each project contributes not only to energy generation, but to long-term socio-economic and environmental stability as well.

In this context, social and relationship capital becomes a defining factor in sustaining project continuity, strengthening stakeholder confidence, and unlocking future investment potential, particularly as expectations around transparency, accountability, and climate responsiveness continue to evolve.

It plays a critical role in enabling sustainable growth within a transitioning energy landscape, positioning PAP to deliver enduring value for stakeholders, while contributing meaningfully to a low-carbon and inclusive future.

CSR initiatives





Renovation and construction of school facilities at Dutugemunu Vidyalaya, Deegawapiya



Tree planting at Thirapane



Donation of eight solar flood lights to light up road which directs to Katandola Temple



Construction of library building – Katandola welfare society


PAC
Panasian Power Pl

Intellectual Capital

Intellectual capital is the collective technical expertise and digital capability driving our operation. By embedding structured organizational systems and global technology partnerships directly into our operating model, we ensure disciplined project delivery and efficient asset management across our entire hydro and solar portfolio.

Adoption of SLFRS S1 and S2 standards

Implementation of ISO 14064-1

Recertification of ISO 14001 and ISO 45001

Intellectual capital positioning

At Panasian Power PLC (PAP), intellectual capital refers to the collective technical expertise, operational experience, organisational knowledge, and digital capabilities that were developed through its sustained participation in Sri Lanka's renewable energy sector

It is embedded within our operating model through the integration of sector-specific technical capability, structured organisational systems, and established industry partnerships, enabling the execution of renewable energy projects across a diversified hydro and solar portfolio.



The Company's capability base spans the full project lifecycle, including feasibility assessment, engineering design, procurement, construction, operations, and maintenance, supporting consistent execution discipline and asset management across its portfolio.

Strategic partnerships with LONGi Solar Technology Co., Ltd and Sungrow Power Supply Co., Ltd provide access to advanced renewable technologies and international technical industry practices which enables our engineers to incorporate these seamlessly into new project implementations.

During FY2025/26, structural capability was further strengthened through the adoption of SLFRS S1 and S2 standards, the implementation of ISO 14064-1, and the recertification of ISO 14001 and ISO 45001, thereby reinforcing environmental management systems and climate-related reporting frameworks.

Technical expertise and project development capability

The Company maintains in-house capabilities across the full project lifecycle, enabling execution in diverse geographic and environmental conditions. This is supported by an integrated engineering, procurement, and construction (EPC) framework that ensures disciplined delivery and asset reliability. During FY2025/26, the Company increased its renewable energy capacity by 35MW, demonstrating project execution capability at scale.

Our engineering capability is enabled through:

- In-house design and optimisation capability
- Compliance with engineering and regulatory standards
- Collaboration with technical specialists and industry experts
- Structured procurement and quality assurance processes

Operational asset performance is supported through monitoring systems and preventive maintenance frameworks, underpinned by operational analytics, enhancing plant availability and reducing downtime across hydro and solar assets.

Capability development continues in emerging areas such as Battery Energy Storage Systems (BESS), hybrid renewable solutions, and advanced energy integration models.

Innovation and continuous improvement

GRI – 2-25

Innovation at PAP, which is entrenched in its operating model, is driven through ongoing improvement in operational processes, project execution, and cross-functional coordination.

During the year, the Company progressed its SAP-based digital transformation programme, aimed at improving workflow integration and operational visibility, as well as enabling more efficient paperless processes upon full implementation in 2026.

Operational consistency is supported through the continuing refinement of standard operating procedures, policy frameworks, and process optimisation initiatives across business functions.

Structured employee participation mechanisms, including performance recognition systems, plant benchmarking practices, and feedback channels, support incremental operational improvements across hydro and solar operations.

Coordination between project execution teams and operations and maintenance (O&M) teams enables operational insights to be incorporated into project delivery and process refinement.

Digitalization and technology adoption

Digitalization supports PAP's operational oversight, data-driven decision-making, and system-level monitoring across its renewable energy portfolio.

The Company operates real-time power generation monitoring systems across its facilities, supported by CCTV surveillance and performance analytics provide uninterrupted visibility of operational conditions and plant performance.

Operational decision-making is supported through integrated data systems, including performance monitoring, maintenance scheduling, trend analysis, and periodic risk assessments, facilitating timely and informed operational responses.

Digital systems implemented during the year contributed to improved operational oversight, structured maintenance planning, resource optimisation, and enhanced responsiveness to operational deviations.

- Real-time power generation monitoring systems: Supported continuous operational oversight and plant performance monitoring.
- CCTV surveillance systems: Enhanced facility monitoring, security, and operational responsiveness.
- Performance analytics : Enabled trend analysis and data-driven operational decision-making.
- Preventive maintenance scheduling systems: Improved maintenance coordination, plant availability, and downtime management.
- SAP digital transformation initiative (ongoing): Expected to improve workflow integration, transparency, and paperless operational processes upon completion.
- Centralised power monitoring and control platform (under development): Expected to integrate operational assets into a unified monitoring platform with predictive maintenance capability.
- AI-enabled monitoring systems (under development): Expected to strengthen incident detection, escalation processes, and operational risk responsiveness.

Looking ahead, the Company plans to strengthen its digital infrastructure through advanced predictive maintenance capabilities and integrated operational monitoring systems which are expected to be progressively implemented from 2026 onwards.

Knowledge management and organisational learning

GRI – 2-26

Knowledge management forms a core pillar of our intellectual capital framework and supports long-term operational resilience. The Company focuses on strengthening its ability to capture, transfer, retain, and enhance organizational knowledge to sustain competitiveness.

Structured knowledge-sharing practices are embedded across project teams, operational functions, and management levels to ensure the consistent transfer of technical insights and operational experience across the organisation.

These practices include:

- Structured documentation and sharing of lessons learned across projects
- Integration of operations teams during project implementation phases
- Regular project review meetings to resolve operational challenges
- regular cross-functional forums to share best practices
- KPI-based performance evaluation mechanisms
- Quarterly management reporting to the Board

Institutional knowledge is further reinforced through formal systems, including documented procedures, ISO-aligned operational frameworks, compliance audits, leadership development programs, and succession planning structures.

Collectively, these mechanisms support a culture of open communication, collaboration, and continuous improvement, strengthening organisational adaptability and long-term resilience.

Strategic partnerships, future technologies, and competitive advantage

Strategic partnerships play an important role in enhancing PAP's technological capability and project execution strength within the renewable energy sector.

Collaborations with LONGi Solar Technology Co., Ltd. and Sungrow Power Supply Co., Ltd. provide access to advanced solar PV modules and inverter technologies, supporting the Company's exposure to evolving renewable energy solutions and industry practices.

Engagement with industry bodies, such as the Small Hydro Power Developers Association Solar Industries Association, and Federation of Renewable Energy Developers , supports sector participation, technical collaboration, and renewable energy advocacy.

We continue to assess emerging technologies through structured feasibility studies and technical evaluations, with a focus on Battery Energy Storage Systems (BESS), hybrid renewable energy solutions, energy storage integration models, and smart grid and digital energy management systems.

PAP's competitive position is strengthened by its combined hydro and solar expertise, in-house engineering and design capability, proven project execution track record, ESG-integrated operations, and long-standing experience in the renewable energy sector.

Intellectual capital risk management and value creation

PAP recognises that the long-term sustainability of its intellectual capital depends on its ability to retain specialised expertise, adapt to technological change, and strengthen organisational capability within a rapidly evolving renewable energy landscape.

The Company remains exposed to risks arising from talent retention pressures, emerging technology skills gaps, and the accelerating pace of digital transformation, including the potential loss of critical technical expertise. Climate-related risks are considered across both physical risks (hydrological and temperature variability and extreme weather events) and transition risks (policy and technology evolution).

To address these risks, the Company has implemented structured recruitment and targeted talent acquisition strategies, succession planning for critical roles, ongoing technical training and upskilling programs, and employee development initiatives supported by retention-focused HR strategies. These measures are reinforced through strategic partnerships and industry collaboration, enabling knowledge transfer and exposure to emerging technologies.

Intellectual capital continues to be a key driver of value creation, enabling operational performance through technical expertise, preventive maintenance practices, data-driven decision-making, and integrated EPC capability. These factors support improved energy output, reduced downtime, and capacity expansion.

Future intellectual capital direction and ESG integration

As the renewable energy sector undergoes rapid technological and environmental transformation, we continue to enhance our intellectual capital capabilities to remain aligned with evolving industry demands and long-term sustainability priorities. Future competitiveness increasingly depends on the integration of advanced digital capabilities, climate resilience expertise, and data-driven operational intelligence across the renewable energy ecosystem.

Accordingly, PAP is strengthening its capabilities in predictive analytics, advanced digital energy systems, energy storage solutions, cybersecurity, and smart operational technologies. We are also enhancing our expertise in environmental risk management, stakeholder engagement, and regulatory navigation to support long-term operational resilience.

Sustainability considerations are established across project planning, operational processes, and strategic decision-making. Environmental assessments, biodiversity considerations, social impact evaluations, climate-related factors, carbon footprint measurement, and sustainability performance monitoring are progressively integrated into operational and planning frameworks.

Our operational practices continue to be guided by internationally recognised standards, including ISO 14001 and ISO 45001, ensuring consistent environmental management and occupational health and safety performance across the organisation. The Company is also committed to enhancing its climate-related performance monitoring in line with IFRS, TCFD standards and ISO 14064-1aligned greenhouse gas accounting practices.

As Sri Lanka advances its renewable energy transition, we continue to align our growth strategy with national energy priorities and global climate objectives, reinforcing our commitment to a resilient, low-carbon, and sustainable energy future.

Forward Outlook

PAP's intellectual capital continues to support its ability to respond to evolving operational and industry requirements while sustaining consistent performance across its renewable energy portfolio.

We remain focused on strengthening our core technical and organisational capabilities to support the effective execution and long-term value delivery within the Company's renewable energy operations in Sri Lanka.

Natural Capital

Natural capital is fundamental to PAP's renewable energy generation, with hydropower and solar operations directly dependent on water availability and solar irradiance across its Sri Lankan portfolio. Variability in rainfall patterns impacted operational performance, reinforcing the need for a disciplined and structured approach to managing these environmental dependencies.

Installed capacity	Solar capacity	Hydro capacity
58.3 MW	48.5 GWh	9.8 MW
Total renewable electricity generated	**CO_2 emissions avoided**	**Scope 1 emissions (direct)**
~91.31 GWh	~67,571 tCO_2e	37.74 tCO_2e

Scope 2 emissions (Indirect)

150.76 tCO2e

Natural capital in value creation

Environmental conditions are a direct input into operational performance across the portfolio, linking natural resource availability to energy generation outcomes. Variability in these conditions is reflected in generation levels, asset performance, and operational continuity.



Panasian Power PLC's (PAP) approach focuses on managing dependencies through established environmental management systems, governance oversight, and operational planning and monitoring, ensuring that environmental factors are integrated into both day-to-day operations and long-term planning.

Natural capital contributes to value creation across multiple capitals within the business, extending beyond environmental performance into operational efficiency, asset utilisation, and stakeholder outcomes:

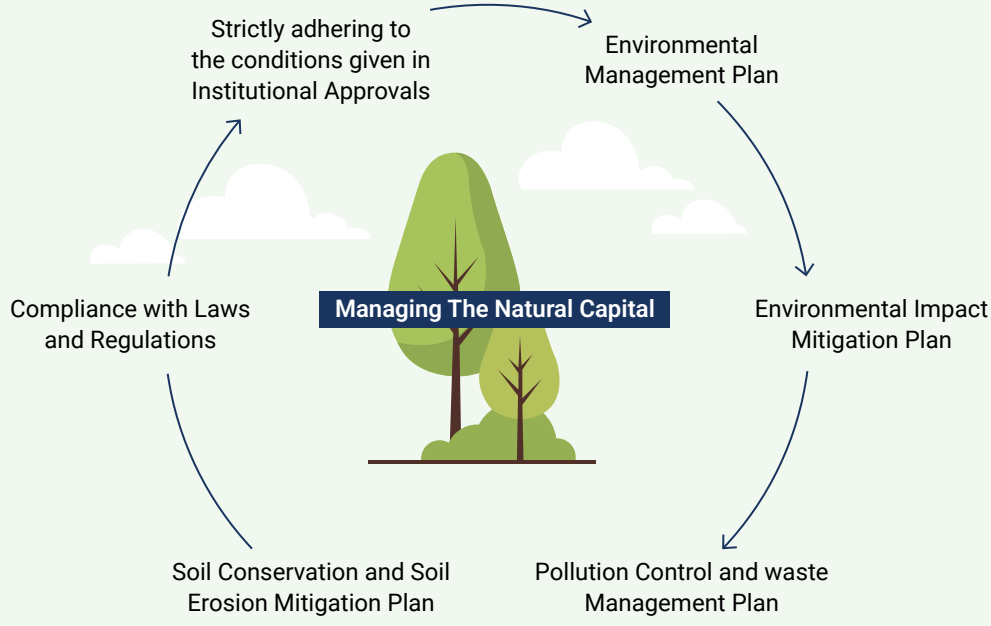
- Financial capital is driven by the ability to generate output and sustain stable operations.
- Manufactured capital reflects the performance and durability of infrastructure operating under varying environmental conditions.
- Intellectual capital develops through environmental monitoring and the insights gained from operational experience.
- Social and relationship capital is reinforced through responsible environmental practices and stakeholder engagement.
- Human capital is supported by maintaining safe and stable

Strategy, policy framework, and governance

Our approach is to manage natural capital through structured systems and governance processes that embed environmental considerations across the asset lifecycle, from project development to operational performance.

Environmental management is guided by an Environmental Management System (EMS) aligned to ISO 14001:2015, providing a structured approach to identifying, monitoring, and managing environmental impacts, including compliance with regulatory requirements. Environmental Impact Assessments (EIA) and Initial Environmental Examinations (IEE) are conducted during project development to support site selection, inform design, and identify mitigation measures at the planning stage.

Our strategy for managing natural capital



Environmental considerations are integrated into strategic decision-making, including project selection and capital allocation, with a focus on prioritising low environmental impact and asset efficiency. Climate, regulatory, and financing risks are incorporated into enterprise risk management processes and inform investment decisions.

Project selection incorporates environmental screening criteria, including the identification of ecologically sensitive areas and biodiversity considerations, hydrological and flood-risk assessments, geological and soil-stability studies, and compliance with regulatory approval conditions. Mitigation and adaptation measures are incorporated at the planning stage to address identified environmental risks.

Environmental oversight is embedded within governance structures, with environmental and climate-related matters reviewed at Board and management levels. At the operational level, environmental performance is monitored through site-level controls, audits, and reporting processes.

This approach supports operational continuity by managing environmental dependencies, and provides a foundation for assessing how environmental factors may affect performance, resilience, and long-term financial outcomes.

Operational execution and key objectives

GRI – 2-27, 303-1, 303-3, 303-4, 304-1, 305-3, 305-5, 306-1

The strategy for managing natural capital is implemented through defined operational priorities and environmental management practices across all projects.

Key objectives during the year focused on maintaining compliance, managing operational risks, and ensuring the responsible use of environmental resources. Measures included:

- Pollution prevention through controls managing dust, water, and land-use impacts.
- Waste management practices supporting segregation, recycling, and responsible disposal.
- Biodiversity conservation through biodiversity impact mitigation plans and site-level continuous monitoring.
- Emergency preparedness and response mechanisms.
- Resource efficiency initiatives focused on optimising energy use.

Compliance with environmental regulations and approval conditions was maintained across all operations, with no-regulatory non-compliances reported during the year based on internal monitoring and reporting processes.

Monitoring, reporting, and internal review processes support these activities, allowing environmental performance to be tracked and managed at both individual sites and across the entire portfolio.

Natural capital, business performance, and operations

Natural capital is a key driver of PAP's operational and business performance, with hydropower and solar generation directly dependent on environmental conditions across its Sri Lankan portfolio. Water availability, rainfall patterns, and solar irradiance influenced generation output, asset utilisation, and operational continuity.

Hydrological conditions remain the primary determinant of hydropower generation. Variability in rainfall patterns, including seasonal fluctuations and extreme weather events during the year, affected, company assets, infrastructure, water availability and influenced generation levels and operational consistency across projects sites.

These conditions directly affected the volume and timing of energy production, requiring ongoing operational adjustments to maintain performance. Portfolio diversification supported the management of these dependencies, with the expansion of solar capacity providing a complementary generation source that was less dependent on water availability and reducing the reliance on a single natural input.

Natural capital, therefore, influenced business performance through its direct impact on generation output and operational stability, with variations in environmental conditions affecting energy production levels across the reporting period.

Variability in generation output affected financial performance through its impact on energy production levels. Diversification across hydropower and solar improved predictability in generation and revenue over time, although this relationship was not quantified.

Strengthening the integration of environmental and operational data was identified as an area for further development to support more informed performance assessment.

Material natural capital topics

Material natural capital topics were identified through PAP's formal materiality assessment. Key environmental topics identified include energy management, climate adaptation and resilience, biodiversity, water management, and greenhouse gas emissions. These reflect the Company's primary interactions with natural systems and their influence on operations.

These topics are integrated into strategy, risk management, and investment decisions, including project development and environmental assessments. Environmental factors associated with these topics influence operational performance and energy generation outcomes.

Emerging areas such as carbon disclosure, renewable impact measurement, and supply chain ESG considerations reflect evolving reporting and regulatory expectations.

Energy and strategic transition

Energy generation represents the primary interface between the business and natural capital, where environmental conditions directly translate into operational output. The portfolio comprises hydropower and solar assets, each influenced by distinct environmental drivers and exhibiting different performance characteristics. These different dependencies shape how environmental variability is experienced across the portfolio and influence generation output across reporting periods.

Operational performance is supported through the scheduled maintenance of solar and hydropower plants, real-time monitoring systems to track generation, and timely response to equipment malfunctions. During the year, renewable capacity expanded through the commissioning of a 35 MW, AC solar projects, with additional projects under development. The expansion of solar capacity during the year increased total generation and shifted the overall energy mix. Solar generation complements hydropower during periods of hydrological constraint, enabling operations across a broader range of environmental conditions and reducing the reliance on a single natural input.

Energy performance is assessed through installed capacity, total renewable electricity generated, and variability across reporting periods. In addition to generation, energy use within operations is monitored to support efficient plant performance, including auxiliary consumption across hydropower and solar facilities.

Renewable energy generation contributes to avoided GHG emissions relative to conventional energy generation sources. Emissions avoided are tracked as part of operational performance, reflecting the contribution of renewable generation to lower-carbon electricity supply. GHG emissions are considered across operational and value chain boundaries.

- Scope 1 emissions include fuel use within operations.
- Scope 2 emissions relate to purchased electricity for operational facilities.
- Scope 3 emissions include indirect emissions associated with the value chain, including construction and supply-related activities.

Current measurements focus on operational energy use and avoided emissions from renewable generation, with further developments ongoing. The expansion of emissions measurements to cover value chain activities, including value chain and project-related inputs, is expected to support more comprehensive carbon disclosure over time.

Operational energy use and associated emissions within facilities are managed through efficiency measures and monitoring practices, with Scop1 and 2 emissions being disclosed.

The evolving energy mix, including increased solar capacity, reflects a practical approach to managing environmental dependencies across generation sources, which supports operational continuity under varying environmental conditions. The contribution of renewable generation and emissions management practices support alignment with broader carbon management priorities and emerging reporting requirements.

Energy portfolio performance and emissions contribution

Metric	Unit	FY2023	FY2024	FY2025
Total renewable electricity generated	GWh	56.94	58.36	~91.31
Installed capacity	MW	22.4	23.3	58.3
Solar capacity	MW	13.5	13.5	48.5
Hydro capacity	MW	8.9	9.8	9.8
CO_2 emissions avoided	tCO_2e	42,234	43,556	~67,571
Solar contribution to total generation	%	36.3	33.2	66.52
Hydro contribution to total generation	%	63.7	66.8	33.48
Scope 1 emissions (direct)	tCO_2e	Not measured	Not measured	37.74
Scope 2 emissions (indirect)	tCO_2e	Not measured	Not measured	150.76

Operational performance and financial linkages

Metric	Unit	FY2025
Revenue contribution by energy source	%	LKR 1,728,245,987
Climate-related/downtime		Due to Ditwah, 2 Hydro power plants and 1 solar power plant were shut down from 28 Nov 2025 to 31 Match 2025

Climate adaptation and operational resilience

The Company's interaction with climate-related factors is reflected through both mitigation and adaptation considerations. Mitigation is primarily achieved through renewable energy generation, while adaptation is reflected in the management of environmental dependencies, particularly hydrological and climate change variability.

During the year, climate-related events had direct operational impacts. The Pannala solar facility was inundated due to flooding, resulting in a temporary operational shutdown. Mini-hydro projects, including Padiyapelella and Manelwala, were also affected by flood and landslides conditions, with damage to assets, infrastructure and operational equipment caused disruption to generation. Seasonal drought conditions further affected hydropower output. Climate-related disruptions may affect generation output and associated revenue depending on the severity and duration of events.

Monitoring systems are used to track climatic conditions and support operational decision-making. Geographic diversification of assets, together with the integration of solar generation, supports operations across a broader range of environmental conditions.

Climate variability and operational impact

Metric	FY2025
Hydro variability	Seasonal
Climate risk screening	Yes
Operational impact of climate events	Significant

Water and hydrological systems

Water availability remains a critical and material input for hydropower generation, with operations dependent on natural water flow rather than consumptive use. Water is drawn primarily from surface sources and returned to natural stream systems following generation. Hydrological variability, including rainfall patterns, seasonal flows, and climate-related events, directly affects water availability and the timing of generation. These conditions influence operational planning and generation performance across hydropower assets. Environmental flow requirements are maintained at the plant level in accordance with regulatory conditions, supporting downstream ecosystems and community water needs.

Water stewardship practices include maintaining environmental flow requirements, engaging with local communities to understand water needs during dry periods, and implementing catchment-level initiatives such as reforestation and soil conservation. Operational adjustments, including temporary shutdowns, are undertaken where necessary to support downstream water availability and community requirements. Catchment-level monitoring supports water resource management, while site-level practices ensure compliance with regulatory conditions.

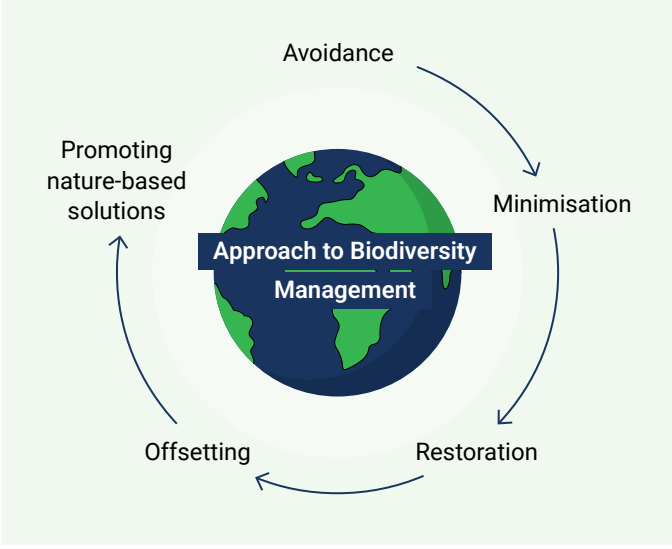
Hydrological variability represents a primary operational dependency and directly affects generation output and revenue potential. Variability across individual assets, including site-specific hydrological conditions, affects generation consistency and operational performance. Data availability relating to water withdrawal, discharge, and site-level variability remains limited.

Water management and hydrological risk

Metric	Unit	Risk level
Water usage	4,578.14 m³	Water use is primarily non-consumptive, as water used in hydropower generation is returned to the source following generation.
Catchment monitoring	N/A	Includes hydrological and environmental monitoring
Environmental flow compliance	Qualitative	Compliant – Site-specific regulatory basis
Water discharge	N/A	Water returned to source after generation
Surface water withdrawal	N/A	Streams – Used for hydropower generation
Groundwater usage	N/A	Tube wells – Limited operational use
Third-party water supply	N/A	NWSDB – Supporting operational needs
Sensitivity to rainfall	N/A	High – Hydropower dependent
Wastewater discharge	N/A	Minimal – Primarily domestic
Climate-related disruptions	N/A	Seasonal variation/dry seasons

Biodiversity and Land Use

Biodiversity considerations are addressed through environmental assessments conducted during project development, and continued monitoring during implementation and maturity. Environmental Impact Assessments and biodiversity surveys are used to identify potential impacts and mitigation measures. Operations are located across multiple regions, with site selection processes designed to avoid ecologically sensitive areas where possible, based on environmental assessments conducted during project development.



Mitigation measures include maintaining buffer zones around water bodies, avoiding animal movement paths, and implementing species protection measures such as the safe relocation of amphibians, small mammals, and bird nests before land clearing. Monitoring activities include water quality assessments, noise and air quality measurements, soil testing, and identification of species based on conservation status.

Environmental management plans and site-level controls are implemented to manage impacts and ensure compliance with regulatory requirements, including land use, habitat protection, and site rehabilitation. Material use and waste management practices support biodiversity protection by minimizing environmental disturbance, with waste segregated and directed to authorized recyclers where applicable.

The Company engages with academic and research institutions to support environmental management practices and the application of technical expertise in biodiversity conservation.

Biodiversity management, monitoring and impact

Metric	Unit	FY2023	FY2024	FY2025
Projects with biodiversity assessments (EIA/IEE)	#	No new projects implemented	1	2
Biodiversity surveys conducted	Yes/No	Yes	Yes	Yes
Environmental management plans implemented	#	Yes	Yes	Yes
Habitat protection measures implemented	Yes/No	Yes	Yes	Yes
Species monitoring and classification	Yes/No	Yes	Yes	Yes
Environmental monitoring activities	Yes/No	Yes	Yes	Yes
Site rehabilitation/replanting initiatives	Yes/No	Yes	Yes	Yes
Biodiversity mitigation measures implemented	Yes/No	Yes	Yes	Yes
Impacts on protected or high biodiversity areas	Narrative	N/A	N/A	N/A
IUCN/conservation-listed species identified	#/Narrative	None identified	None identified	None identified

Environmental management and compliance

Environmental performance is managed through the EMS aligned to ISO 14001-2015, integrating environmental controls, pollution prevention, and resource management practices into operational processes. The system supports the management of environmental impacts across operations, including waste, water, and biodiversity considerations, linking compliance requirements to day-to-day activities.

Environmental compliance is maintained through adherence to regulatory requirements and approval conditions. Monitoring processes, site-level controls, and audits support compliance and enable identification of improvement areas. No regulatory non-compliances were reported during the year.

Maintaining compliance reduces the risk of regulatory penalties and operational disruptions. Integration of environmental performance data across operations continues to be strengthened to support reporting and decision-making.

Environmental risk management and compliance performance

Metric	Unit	FY2025
Recordable incidents	#	2
Environmental audits	#	2 internal audits per site, 2 external audits for randomly selected sites
Waste managed through authorized recyclers	Narrative	Yes, waste papers and E-waste are handed over to CEA authorized recyclers
Waste hierarchy application	Narrative	Yes, minimise/ prevention, re-use, recycling, recovery and disposal of waste management hierarchy are currently in practice.

Resource efficiency and waste

Resource efficiency and waste management are implemented through structured practices embedded within the environmental management system. Waste management follows established procedures supporting waste minimization, segregation, recycling, and responsible disposal.

Waste streams are managed through defined processes. Waste streams are categorized into hazardous and non-hazardous waste, with defined handling, recycling, and disposal pathways applied to each category. Hazardous waste, including oil and oil-contaminated materials, is handled through controlled processes and transferred to authorized recyclers. Non-hazardous waste, such as metal, paper, plastic, and organic waste, is either recycled, composted, or disposed of through appropriate channels, depending on its nature. These practices support compliance and minimize environmental impact across operations.

Resource efficiency practices may contribute to cost management and operational efficiency, although this relationship is not currently quantified. Quantitative tracking of waste generation and recycling is in place, with improvements in data coverage and consistency across all sites.

Waste management and resource efficiency performance

Metric	Unit	FY2025
Waste generated	Kg	Head office food waste – 600kg waste paper – 130 kg Plastic and Polythene – 120kg
Waste recycled	%	Paper waste are fully recycled
Hazardous waste incidents	#	No incidents recorded
Recycling rate by waste type	%	Papers – 100%

Material management

Material use is managed as part of our approach to resource efficiency, with a focus on increasing the use of renewable materials and reducing the reliance on non-renewable inputs across operations. Materials used in project activities, including packaging materials such as cardboard and polythene associated with imported goods during construction phases, are managed to minimize environmental impact. Material management supports efficient resource use and contributes to reducing environmental impact across operations.

Challenges and evolving priorities

Hydrological variability and climate-related disruptions continue to affect generation planning and operational consistency. Variability across assets, including site-specific conditions, influences generation outcomes, asset performance, and ultimately revenue and profitability.

Evolving regulatory requirements and increasing expectations for environmental reporting continue to shape operational and disclosure practices. External factors, including grid-related constraints, may influence generation dispatch and operational efficiency.

The need for enhanced environmental data remains a key consideration to support reporting and decision-making.

Increasing expectations around environmental disclosure and supply chain ESG compliance introduce additional monitoring, data, and reporting requirements. Further development of data systems may support improved analysis, integration into decision-making, and alignment with evolving reporting requirements.

Risk mapping for natural capital challenges

The Company's exposure is primarily driven by physical risks associated with hydrological and climate variability, with additional operational and compliance-related considerations arising from evolving regulatory, reporting, and system-level requirements.



Material use and resource efficiency

Natural Capital Challenge	Risk Type	S2 Classification	Explanation (Direct + Minimal Interpretation)
Hydrological variability (rainfall, water flow changes)	Physical	Chronic Physical Risk	Changes in precipitation affect water availability, which directly impacts hydropower generation and operational performance.
Water dependency (hydropower reliance on natural flow)	Physical	Chronic Physical Risk	Reliance on natural water systems creates direct exposure to climate-related changes in water availability.
Climate variability (seasonal changes, rainfall patterns)	Physical	Chronic Physical Risk	Ongoing shifts in climate conditions affect generation consistency and planning.
Flood events / extreme weather	Physical	Acute Physical Risk	Event-driven risks disrupt operations and affect asset performance.
Asset-level variability (site-specific hydrology differences)	Physical	Physical Risk (Exposure concentration)	Differences in local environmental conditions create uneven operational performance across assets.
Operational disruption from environmental conditions	Physical	Physical Risk (Impact pathway)	Climate conditions affect operations, generation output, and continuity.
Regulatory requirements and environmental compliance	Transition	Policy/Legal (Transition Risk)	Compliance obligations shape operational requirements and environmental management practices.
Environmental reporting and disclosure expectations	Transition	Reputational/Regulatory	Increasing expectations for environmental data and disclosures affect reporting processes.
Supply chain ESG expectations	Transition	Market/Value Chain	Environmental performance expectations extend beyond operations into the supply chain.
Grid/system constraints affecting generation dispatch	Transition	Market/System constraint	External infrastructure limitations affect ability to deliver or optimize generation.
Data limitations (water, waste, environmental metrics)	Transition	Operational/ Reporting capability	Data availability affects monitoring, reporting, and ability to assess environmental performance.
Environmental data and monitoring gaps across sites	Transition	Operational/Capability	Variability in data systems affects consistency of reporting and oversight.

Looking ahead

Natural capital will continue to influence operational performance and planning. Climate variability, hydrological dependency, and environmental management will remain central to operations.

The Company is progressing towards enhanced environmental measurement and reporting, including the development of greenhouse gas emissions tracking, aligned with recognised standards.

Further integration of environmental considerations into strategy, performance assessment, and investment decision-making is expected to strengthen over time, supported by improved data availability and analysis.

Stewardship and Governance

Board of Directors




D Sooriyaarachchi
K Kamburadeniya
N Ranatunga
N Weerasinghe
H Fernando

Mr L Silva
Independent, Non-Executive Director/ Chairman

Lakshman Silva began his distinguished professional journey working in the Department of Inland Revenue of Sri Lanka, before joining the DFCC Banking Group in 1987. His commitment and expertise saw him seconded to the service of DFCC Vardhana Bank in 2003, where he assumed the pivotal role of Chief Operating Officer. His path within the organization culminated in his appointment as the Chief Executive Officer/Executive Director at DFCC Vardhana Bank Ltd in January 2010. Following this, he served as the Deputy Chief Executive Officer/Director of DFCC Bank PLC from October 2015 until his elevation to the position of Chief Executive Officer/Director in August 2017.

Until his retirement in December 2021, L Silva held influential roles as the Chairman of DFCC Consulting (Pvt) Limited, Lanka Industrial Estates Limited, and Synapsys Limited – key subsidiary companies of DFCC Bank PLC. He also chaired the Lanka Financial Services Bureau Limited and the Sri Lanka Banks' Association (Guarantee) Limited and served as a director of Lanka Clear (Pvt) Limited. Additionally, he served as Chairman of Acuity Partners (Pvt) Limited, Lanka Ventures Limited, and LVL Energy Fund PLC, all of which are joint venture companies of DFCC Bank PLC.

L Silva's commitment to enhancing the broader financial landscape is evident through his role as a Board member of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) as well as his contribution on the Board of Management of the Sri Lanka Sustainable Energy Authority.

Currently, L Silva serves as an Independent Director at Seylan Bank PLC, Melstacorp PLC, Distilleries Lanka PLC, Fintech Consultancy (Pvt) Limited, HNB Assurance PLC, and as Chairman LankaPay (Pvt) Limited.

His active and influential engagement in the field includes serving as a member of the Stakeholder Engagement Committee of the Central Bank of Sri Lanka.

A Past President of the Association of Professional Bankers of Sri Lanka, L Silva is a distinguished alumnus of the University of Kelaniya, holding a BCom (Hons.) degree, and the Postgraduate Institute of Management of the University of Sri Jayewardenepura, where he earned his MBA. He is also recognised as an Associate Member of the Association of Development Financial Institutions of Asia & Pacific (ADFIAP).

Mr D Sooriyaarachchi
Non-Independent, Non-Executive Director

Deepal Sooriyaarachchi is a Fellow of the Chartered Institute of Marketing UK, and holds an MBA from the University of Sri Jayewardenepura. He is an Accredited Master Coach and a Master Mentor.

D Sooriyaraachchi is a renowned Management Consultant, Speaker Trainer as well as being a reputed author.

He was the Managing Director of AVIVA NDB Insurance PLC (now known as AIA Insurance), a Past President of the Sri Lanka Institute of Marketing, and a Past Commissioner of Sri Lanka Inventors Commission. He is an alumnus of Postgraduate Institute of Management (PIM), the National University of Singapore, the Asian Institute of Management and the Stanford Business School, USA.

D Sooriyaarachchi serves as a Non-Executive Director of AIA Insurance Lanka, Siyapatha Finance PLC, Singer Sri Lanka PLC, Prime Lands Residencies PLC, and Kelani Cables PLC. He is also a consulting partner of the Results Based Leadership Institute, USA.

Mr P Poddiwala
Executive Director/CEO

Pathmanatha Poddiwala is an engineer by profession (BSc Eng) who holds a Masters in Business Administration (MBA in Technology Management) and is a certified Management Accountant, CMA (Aust). He counts over 23 years' experience working for leading conglomerates in the field of engineering & management, 16 years of which were in the renewable energy sector. He has expertise in the development of renewable energy projects covering project identification, feasibility study, financing, construction, and operation, and a proven track record in the operation and maintenance of project assets. He has studied a large number of projects locally and internationally, and has worked as an expert in number due diligence assessments of power company mergers and acquisitions. Further, he serves as a local CDM expert for leading international audit firms.

He counts over 8 years' of experience as a senior lecturer teaching the City & Guilds (UK) mechanical engineering curriculum. He is also an active member of the Institution of Engineers Sri Lanka, the Sri Lanka Energy Managers Association & CMA (Australia), and currently serves as the President of the Small Hydro Power Association, while being a Committee member of the Federation of Renewable Energy Developers, which is attached to the Chamber of Commerce.

Ms H Fernando
Non-Independent, Non-Executive Director

With extensive expertise in finance and management, Hiroshini Fernando accounts for nearly 30 years of experience across a broad spectrum of the commercial sector. She began her professional life at Kreston MNS & Co., Sri Lanka Division, a correspondent firm of Grant Thornton International, which is a leading global firm of Chartered Accountants. Her tenure at Kreston MNS & Co. established her core expertise in accounting, auditing and strategic finance with wide exposure to the inner workings of each of these areas.

Given her well-rounded experience, she continues to be a source of key insights and extensive knowledge to the Company and the Board, especially in maintaining financial transparency and good corporate governance.

She is a Fellow of the Institute of Chartered Accountants of Sri Lanka (CA SL), a Fellow of the Institute of Certified Management Accountants of Sri Lanka (CMA,) and an Associate Member of the Association of Chartered Certified Accountants UK (ACCA UK).

Mr K Kamburadeniya
Independent Non-Executive Director

Kosala Kamburadeniya is a Chartered Engineer, a Fellow and an international professional engineer of the Institution of Engineers, Sri Lanka. He is also a Chartered Professional and a Fellow of the Institution of Engineers Australia and a Chartered Member of Engineering New Zealand. K Kamburadeniya is an Attorney-at-Law of the Supreme Court of Sri Lanka. He holds a B.Sc. Engineering Honours degree from the University of Moratuwa, a Postgraduate Diploma in Industrial Engineering from the Open University of Sri Lanka, and a Master of Business Administration degree from the University of Sri Jayewardenepura. He is the President of the Institution of Engineers Sri Lanka for the session 2025/26 as well as being a Council Member of the Engineering Council of Sri Lanka.

He is a senior member of the Institution of Electrical and Electronics Engineers (IEEE) USA, a member of the Institution of Engineers (IET) UK, the American Society of Heating, Refrigerating and Air-conditioning Engineers (ASHRAE) USA, the Sri Lanka Energy Managers Association (SLEMA), and is a certified Building Services Engineer and Arbitrator of the Institution of Engineers, Sri Lanka.

K Kamburadeniya's 33 years of professional experience ranges from installation, testing and commissioning, operations and maintenance of diesel power plants, engineering management, lean manufacturing and process improvement, setting up of start-up factories, construction project management, and consultancy service in engineering design and project management.

He has served both semi-government and private sector organisations, including the Ceylon Electricity Board, Asia Power (Pvt) Limited, MAS Holdings (Pvt) Limited, and Brandix Casual Ware (Pvt) Limited. Presently, he holds the position of Managing Director/ Principal Consultant of K2 Consultants (Pvt) Limited and Non-Executive Director of R-E-D Capital Asia (Pvt) Limited, Quadd Solutions (Pvt) Limited, and Promap (Pvt) Limited. He also serves as a member of the Board of Management of the National Science Foundation of Sri Lanka and is a member of the National Advisory Council of Construction in Sri Lanka.

Ms C Pietersz
Independent, Non Executive Director

Coralie Pietersz is an Associate Member of the Institute of Chartered Accountants in England and Wales, and a Fellow member of the Institute of Chartered Accountants of Sri Lanka and of the Institute of Certified Management Accountants of Sri Lanka. She has a BSc (Hons) degree in Physics from the University of Sussex and holds an MBA from Heriot Watt University, Edinburgh.

She counts over 30 years of senior level experience in corporate finance, accounting and auditing in both the private and public sectors. She joined Finlays Colombo in 2010 as Finance Director and was also appointed as Finance Director of Hapugastenne Plantations PLC and Udapussellawa Plantations PLC in 2016, which positions she held until 2020. Prior to that she functioned as the Group CFO at Richard Pieris and Company PLC, a role that entailed responsibility for the finance function of this diversified Group, which included five listed companies. Ms Pietersz currently holds directorships in several listed and unlisted entities.

Ms N Ranatunga
Independent Non-Executive Director

Niroshini Ranatunga held the key management position as Vice President/ Head of Legal at DFCC Bank PLC until December 2024. Previously, she was the Head of Legal at Hatton National Bank PLC, a position she held for several years, having served the Bank for over 29 years until 2019.

A corporate lawyer with over 34 years of experience in the banking and financial sector, carrying out all functions relating to legal operations of the Banks, she has been responsible for both local documentation and cross border transactions. She is a core resource person on corporate advisory regarding personnel and litigation.

She is an Attorney-at-Law and a Notary Public, with over 39 years of experience as a corporate and litigation lawyer in the financial sector, having entered the Bar in 1986. Prior to joining Hatton National Bank PLC in 1991, Ms Ranatunga had worked at Abrahams & De Alwis, a leading law firm.

Mr N Weerasignhe
Independent Non-Executive Director

Nilendra Weerasinghe counts over 15 years of experience in investment banking and capital markets, with proven expertise in M&A, equity capital raising, and corporate finance advising. Currently serving as Chief Financial and Strategy Officer at hSenid Business Solutions PLC, he plays a pivotal role in driving strategic growth and international expansion for PeoplesHR, a leading HR technology platform across Southeast Asia.

Prior to his current role, he held senior leadership positions at NDB Investment Bank (NDBIB), where he was a key figure in the capital markets landscape of Sri Lanka. During his tenure at NDB, he led the initiation and execution of 18 Initial Public Offerings (IPOs) and managed over 20 M&A transactions with a cumulative value exceeding USD 300 million. His advisory portfolio spans diverse sectors, including renewable energy and infrastructure, where he specializes in capital structure optimization, debt syndication, and complex financial modelling.

N Weerasinghe holds an MBA in Strategy and Operations from the National University of Singapore and a Bachelor's Degree in Engineering, specializing in Computer Science and Engineering, from the University of Moratuwa, Sri Lanka. He is a CFA® Charter holder and a Passed Finalist of the Chartered Institute of Management Accountants (CIMA), UK. He has also completed executive leadership training at INSEAD. His unique perspective combines a deep understanding of capital market dynamics and corporate strategy with the technical rigour required to evaluate large-scale investment opportunities and to drive long-term enterprise value.

Mr I Perera
Independent Non-Executive Director

Indunil Rangana Perera is an Associate Member of the Chartered Institute of Management Accountants (CIMA), UK, and is qualified as a Chartered Global Management Accountant (CGMA). He brings over 27 years of extensive experience in accounting and finance, having served in a range of organisations including listed companies. His diverse range of expertise include a strong focus on the property and real estate industry.

Since 2017, I Perera has held the position of Chief Financial Officer at RI L Property PLC. In addition to his CFO responsibilities, he also serves as a director of several private entities in the renewable energy sector within the Panasian Power PLC group.

Ms R Weudagedara
Company Secretary

Appointed in 2021, Roshini Weudagedara continues to serve as the Company Secretary of the Company and its subsidiaries. She is also a director in selected subsidiaries of PAP. Roshini Weudagedara commenced her professional career at M/s Julius & Creasy, one of Sri Lanka's leading law firms, where she received comprehensive training in both the legal and company secretarial fields. Over the course of her career, she has overseen the Company secretarial functions of a diverse portfolio of listed and non-listed companies, gaining wide-ranging experience in corporate governance and regulatory compliance. She is an Attorney-at-Law and holds a Bachelor of Science degree in Biological Sciences from the University of Colombo. She obtained her Master of Business Administration (MBA) degree from the University of Suffolk.

The Directors of Subsidiaries

Directors Name and Company Name	Company Registration No.
Panasian Power PLC • Mr L Silva • Mr D Sooriyaarachchi • Mr P Poddiwala • Mr K Kamburadeniya • Ms H Fernando • Ms C Pietersz • Ms N Ranatunga • Mr I Perera (Appointed w.e.f. 05 August 2025) • Mr N Weerasinghe (Appointed w.e.f. 15 September 2025)	PV 9959 PB/PQ
Manelwala Hydropower (Pvt) Ltd • Mr L Silva • Mr P Poddiwala • Mr I Perera	PV 10137
Padiyapelella Hydropower Ltd • Mr L Silva • Dr M Thahir • Mr P Poddiwala • Ms H Fernando	PV 64694 PB
Panasian Investments (Pvt) Ltd • Mr L Silva • Mr P Poddiwala • Ms R Weudagedara	PV 84223
Lower Kothmale Oya Power Two (Pvt) Ltd • Mr L Silva • Mr H Suriyaarachchi • Mr P Poddiwala • Mr K Bandara • Mr I Perera	PV 81275

Directors Name and Company Name	Company Registration No.
PAP Solar One (Pvt) Ltd • Mr P Poddiwala • Ms R Weudagedara	PV 128774
Powergen One (Pvt) Ltd • Mr L Silva • Ms C Peries • Mr C Jinadasa/T Perera • Ms H Fernando	PV 128379
Eco Green Solar Solutions (Pvt) Ltd • Mr P Poddiwala • Mr K Bandara • Mr I Perera • Mr L Silva (Resigned w.e.f. 31 July 2025)	PV 129828
Panthree Solaro Energy (Pvt) Ltd • Mr P Poddiwala • Mr I Perera • Mr L Silva (Resigned w.e.f. 31 July 2025)	PV 00202822
Solar Power Generation Matara (Pvt) Ltd • Mr P Poddiwala • Mr I Perera • Mr L Silva (Resigned w.e.f. 31 July 2025)	PV 00205195
Rajarata Sustainable Development (Pvt) Ltd • Mr P Poddiwala • Ms H Fernando	PV 00206952

Directors Name and Company Name	Company Registration No.
Finergreen Rajarata (Pvt) Ltd • Mr P Poddiwala • Ms M Wijesekara	PV 00209489
Panasian Power Zambia Ltd • Mr L Silva • Ms H Fernando • Mr P Poddiwala • Mr A Miyanadeniya	120180009477
Finergreen Gonnoruwa (Pvt) Ltd • Mr P Poddiwala • Mr K Bandara	PV 00268543
Finergreen Mattala (Pvt) Ltd • Mr P Poddiwala • Ms R Weudagedara	PV 00268544
Finergreen Ridiyagama (Pvt) Ltd • Mr P Poddiwala • Ms R Weudagedara	PV 00268569
Panasian Solar (Pvt) Ltd • Mr L Silva • Mr P Poddiwala • Ms M Wijesekara	PV 00270643
PAP MHPL Solar (Pvt) Ltd • Mr P Poddiwala • Ms H Fernando	PV 00286329
PAP EGSS Solar (Pvt) Ltd • Mr P Poddiwala • Ms H Fernando	PV 00286330

Directors Name and Company Name	Company Registration No.
PAP SPGM Solar (Pvt) Ltd (Company amalgamated w.e.f. 31 March 2026 with PAP PTS Solar (Pvt) Ltd) • Mr P Poddiwala • Ms H Fernando	PV 00286331
PAP PTS Solar (Pvt) Ltd • Mr P Poddiwala • Ms H Fernando	PV 00286332
R - E - D Capital Asia (Pvt) Ltd • Mr L Silva (Appointed w.e.f. 4 August 2025) • Mr P Poddiwala • Ms H Fernando • Mr D Sooriyaarachchi (Appointed w.e.f. 4 August 2025) • Mr K Kamburadeniya (Appointed w.e.f. 4 August 2025) • Ms N Ranatunga (Appointed w.e.f. 4 August 2025) • Ms R Weudagedara (Appointed w.e.f. 4 August 2025) • Mr N Fernando (Appointed w.e.f. 4 August 2025)	PV 00286382
Solar One Asia (Pvt) Ltd • Mr P Poddiwala • Ms H Fernando	PV 00296346

Senior Management Team




L Egodawatta
Finance Manager
M Siriwardana
Senior Project Manager –
Civil Construction
R Amarasinghe
Project Manager
S Kuruppu
Manager –
Human Resources
M Senarathna
General Manager - Risk, Compliance
and Operations
D Herath
Head of Projects

Middle Management




T Hemachandra
Electrical Engineer
G Godaliyadda
Assistant Site Manager
A Lakmali
Accountant
S Ranpema
Service Engineer
M Pathirathne
Assistant Plant Manager
V Weerasekara
Accountant
A Kumara
Plant Engineer – Hydro

Corporate Governance

GRI – 2-23, 2-24



Chairman's Statement on Corporate Governance

On behalf of the Board of Directors, I am pleased to present the Corporate Governance Report of Panasian Power PLC for the financial year ended 31 March 2026.

In an era shaped by rapid technological advancements, evolving regulatory requirements, and an increasing global emphasis on sustainability, our commitment to the highest standards of corporate governance remains fundamental to the long-term success of Panasian Power PLC. As a renewable energy company, we recognise that strong governance, ethical business practices, transparency, and accountability are essential to safeguarding stakeholder trust and delivering sustainable value to all stakeholders.

The Board remains at the core of our governance framework, providing strategic direction and effective oversight to support the Company's long-term sustainability and growth within the renewable energy sector. The composition of the Board reflects a diverse blend of expertise, industry knowledge, and professional experience, enabling balanced deliberations, constructive challenge, and sound decision-making.

During the year under review, the Board continued to focus on sustainable value creation by overseeing the execution of the Company's strategic priorities, including operational excellence, renewable energy expansion, regulatory compliance, and environmental stewardship. Particular attention was also given to ensuring that the Company's risk management framework remained responsive and aligned with the evolving economic, regulatory, and industry landscape.

Our commitment to governance excellence extends beyond statutory and regulatory compliance. The Company voluntarily adheres to the Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka, which serves as a guiding framework in strengthening Board effectiveness, accountability, transparency, and ethical leadership.

As a responsible renewable energy company, we are equally committed to aligning our governance and sustainability practices with internationally recognised frameworks and standards. Our reporting approach is guided by the Integrated Reporting Framework, the United Nations Sustainable Development Goals (UNSDGs), and the Global Reporting Initiative (GRI) Standards, reflecting our commitment to sustainable value creation, environmental responsibility, and meaningful stakeholder engagement.

By integrating these global best practices into our governance framework, we ensure that Panasian Power PLC remains resilient, future-focused, and well-positioned to meet the expectations of investors, regulators, and stakeholders, while contributing meaningfully to a sustainable energy future.

In 2025/2026, we further strengthened the integration of Environmental, Social, and Governance (ESG) principles into our core operations, recognising that sustainable value creation is fundamental to our societal and environmental impact. This commitment has been further reinforced through our transition to SLFRS S1 and SLFRS S2, which embed sustainability-related and climate-related disclosures into our reporting framework. As a result, ESG risk management has evolved into a measurable and integral component of our overall performance and strategic decision-making framework.

On behalf of the Board of Directors, I wish to confirm that in accordance with,

1. Section 9.1.3 of the Listing Rules, this Report together with the annexures, confirm the extent of compliance with the Corporate Governance Rules under the Listing Rules;
2. Section 9.2.2 of the Listing Rules, to the best of my knowledge, there have been no material violations of the provisions of the Code of Ethical Business Conduct applicable to our employees, Directors, or the Company during the year. Further, the Company has not granted any exemptions or waivers to the adherence of the Code;
3. Section 9.7.5 of the Listing Rules, all Directors, including the Chief Executive Officer, have submitted their declarations on fitness and propriety and continue to satisfy the fit and proper criteria stipulated in the Listing Rules;
4. Section 9.5.2 of the Listing Rules, all requirements relating to the policy on matters relating to the Board have been duly complied with.
5. Section 9.8.5 of the Listing Rules, the Board of Directors made an annual determination on independence of the Directors based on the declarations submitted by each director and other information available. The names of the directors who are deemed independent as at 31 March 2026 are duly disclosed in this Report;
6. Section 9.17 of the Listing Rules,
    a. all Directors have declared all material interests in contracts involving in the Company and have refrained from voting on matters in which they were materially interested;
    b. the Board has conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith;
    c. the Board has made arrangements to make ourselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;
    d. to the best of my knowledge, there are no relevant areas of any material non-compliance with any law or regulation and any fines, which are material, imposed by any government or regulatory authority
7. Section 9.14. 8.(4), the Rules pertaining to Related Party Transactions under the Listing Rules have been complied with
8. Section 9. 10 .1 of the Listing Rules, based on the annual declarations submitted by the Directors, all Directors remained within the prescribed limits throughout the year under review and no instances of non-compliance were identified.



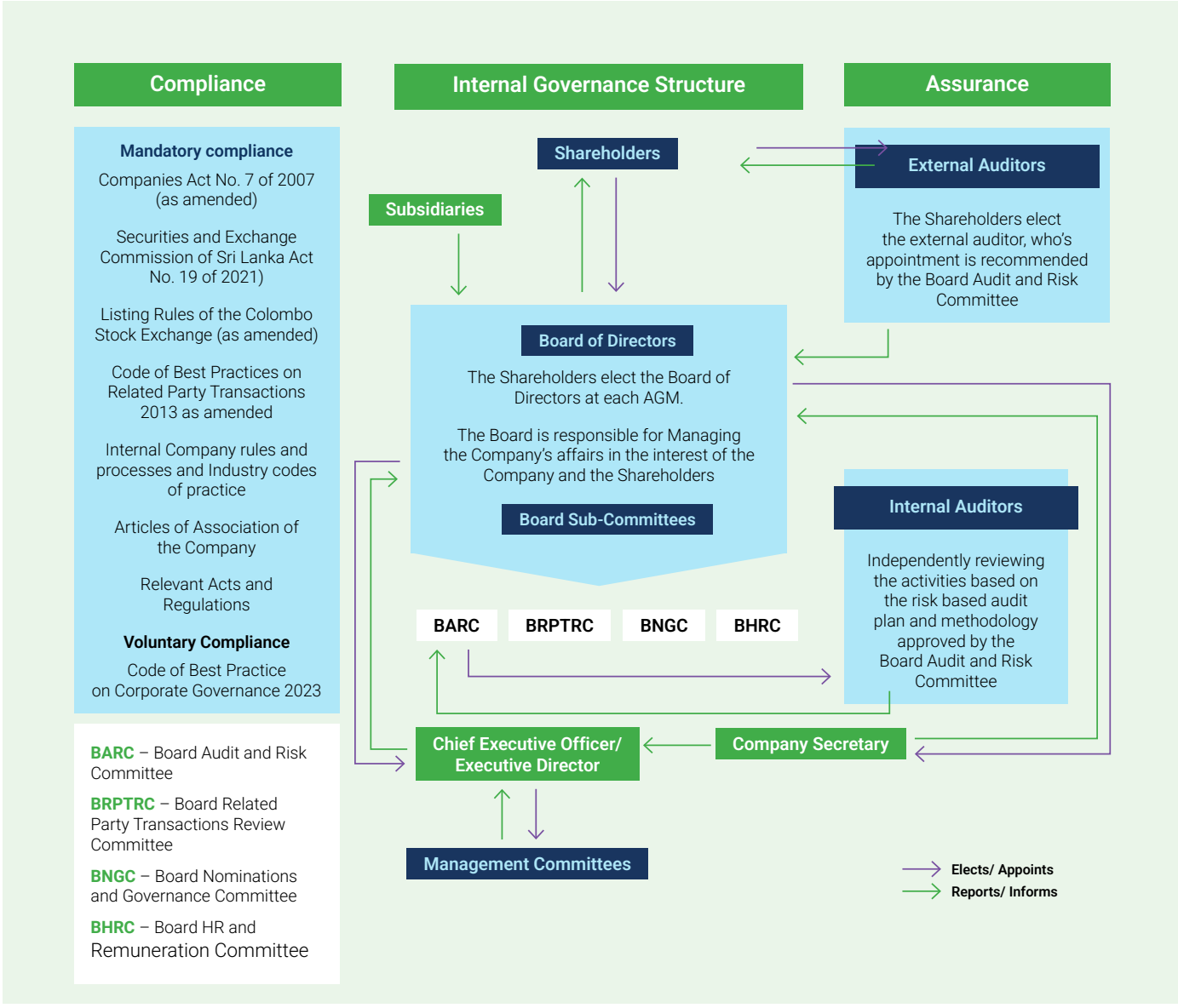
L Silva
Chairman

4 June 2026

Approach to Governance

An enterprise-wide approach to corporate governance has enabled the Company to strengthen its structures, processes, and oversight mechanisms to support sustainable growth and resilience in a rapidly evolving renewable energy landscape. Moving beyond incremental progress, the Company continues to pursue transformative change through responsible leadership, strategic agility, and disciplined governance practices.

Governance Structure



At the core of our governance structure is a well-defined communication channel between the Board of Directors and the Management, fostering a culture of integrity and strategic alignment. By establishing a strong pace at the top. Panasian Power PLC reinforces corporate values and ethical standards. Thereby mitigating the associated risks. This structured approach enables effective decision making, promotes, stakeholder confidence and ensures long term business sustainability.

To support its oversight role, the Board is assisted by four specialised sub committees (Section 9.3.1);

- Board Audit and Risk Committee (BARC)
- Board Related Party Transactions Review Committee (BRPTRC)
- Board Nominations and Governance Committee (BNGC)
- Board Human Resource and Remuneration Committee (BHRC)

These committees operate under clearly defined terms and references and regularly report to the Board on key matters within their limit.

The chief Executive Officer (CEO), appointed by Board is responsible for the day to day operations of the Company. Supporting the CEO are various management committees that focus on operational execution and performance.

The Company secretary plays an integral role by advising the Board on governance matters, ensuring full compliance with statutory obligations, and serving as the bridge between the Board, regulators and shareholders.

For internal assurance, our internal audit function operates independently and reports directly to the BARC. This ensures impartial assessments of internal controls and risk frameworks across the organization.

From an external assurance perspective, the external auditors and appointed by the shareholders, following a recommendation from BARC. Their independent audit opinions enhance financial integrity and provide assurance to shareholders and the broader market.

Panasian Power PLC's governance structure is continuously reviewed and refined to ensure alignment with evolving regulatory expectations, global best practices, and strategic priorities of the Company.

Our compliance framework

Our fit-for-purpose governance approach is designed to comply with all applicable laws, regulations, and industry requirements, while also aligning with recognised governance best practices and relevant voluntary frameworks. This approach strengthens accountability, transparency, and ethical decision-making across the organisation, supporting the Company's commitment to sustainable growth and responsible business conduct, as outlined below.

External framework

Mandatory compliance

- Companies Act No.07 of 2007 (as amended)
- Sri Lanka Accounting and Auditing standards Act No.15 of 1995
- Continued listing requirements of the Colombo stock exchange
- inland revenue Act No.10 of 2006 and amendments
- Inland Revenue Act No.24 of 2007 and amendments there to
- Customs Ordinance No.17 of 1869
- Foreign Exchange Act No.12 of 2017
- The shop and office employees Act No.15 of 1954
- Securities and Exchange Commission of Sri Lanka Act No. 19 of 2021.

Voluntary compliance

- Code of best practice on corporate governance issued by CA Sri Lanka (2023)
- SLFRS S1 and S2 Sustainability Disclosure standards
- Integrated Reporting Framework
- Global Reporting initiatives standards
- SASB Disclosures

Internal mechanism

- Article of Association
- Code of ethical business conduct for employees and Directors
- Terms of reference of Board sub committee
- Risk Management policies and Procedures
- Whistleblowing policy
- Policy on dealing with shares of the group
- Policy on Board matters
- Policy on Board sub committees
- Policy on Board corporate governance, nominations and re elections
- Policy in relations with shareholders and investors
- Policy on remuneration
- Policy on corporate disclosures
- Policy on risk management and internal controls
- Policy on control and management of company assets and shareholder investments
- Policy on environmental, social and governance
- Other Policies and Procedures

Compliance with Section 9.2.3 of the listing rules

All policies mandated under Section 9.2.1 of the Listing Rules are listed above and are published on the Company website. It forms part of the mandatory compliance.

The changes to the policies during the year are summarised below:

Policy	Key Enhancement	Objective
Policy on Anti-Bribery and Corruption & relevant Procedures	1. A revision was made to section "Scope of the policy" to clarify and broaden the scope to cover all Company activities and stakeholders in line with anti-bribery compliance requirements.	Improve clarity
	2. A new section "Compliance with Laws" was added to explicitly state the Company's commitment to compliance with Sri Lankan anti-corruption laws and relevant international conventions and best practices.	Clarify the legal status
Policy on Control and Management of Company Assets and Shareholder Investments & relevant Procedures	1. A new section " Scope of the Policy" was added to clearly define the coverage of the policy, including all Company assets and shareholder investments, and to specify its applicability.	Improve clarity
	2. A new section "Compliance with Laws" was added to define legal compliance requirements and expected conduct in managing assets and shareholder investments.	Clarify the legal status
Policy on Corporate Disclosures	1. A new section " Scope of the Policy" was added to clearly define the range of corporate disclosures and communication channels covered by the Policy	Improve clarity
	2. A new section "Compliance with Laws" was added to establish the Company's commitment to meeting all legal and regulatory disclosure requirements and ensuring accurate, timely, and fair reporting.	Clarify the legal status
	3. A new section "Review and Modifications" was added to formalise the requirement for periodic (at least annual) Board review and approval of any updates to ensure ongoing relevance and compliance.	Clarify the oversight status
Policy on relations with Shareholders and Investors & relevant Procedures	1. A new section "Scope of the policy" was added to clearly define the individuals covered and the scope of interactions between the Company and its shareholders and investors.	Improve clarity
	2. A new section "Compliance with Laws" was added to establish the Company's obligation to comply with all applicable legal and regulatory requirements governing shareholder and investor communications and disclosures.	Clarify the legal status
	3. In the section 4 the following content added, "It is the role of the company secretary on maintaining the beneficial ownership register under the Companies Act No. 07 of 2007"	Clarify the statutory compliance responsibility
Policy on Risk Management and Internal Controls & relevant Procedures	1. A new section "Scope of the policy" was added to clearly define the range of risks covered and to ensure the Policy applies consistently across all subsidiaries, divisions, and business units of the Group.	Improve clarity
	2. A new section "Compliance with Laws" was added to establish the Company's commitment to complying with applicable legal, regulatory, and governance requirements relating to risk management and internal controls.	Clarify the legal status
Policy on Whistleblowing & relevant Procedures	1. A new section "Scope of the policy" was added to clearly define the applicable individuals under the Policy.	Improve clarity
	2. A new section "Compliance with Laws" was added to establish the Company's commitment to complying with applicable whistleblowing laws and ensuring protection and fair treatment of whistleblowers.	Clarify the legal status

Board of Directors

(Principle A.1 and A.5 of the CG Code 2023)

Corporate governance plays a pivotal role in ensuring the responsible management and ethical operations of the Company. The Board of Directors of PAP is at the heart of corporate governance, providing strategic guidance, oversight, decision making, corporate directions. The Board comprise a proper balance of executive and non executive members, with strong emphasis on independence to ensure unbiased decision making and the protection of shareholder interests.

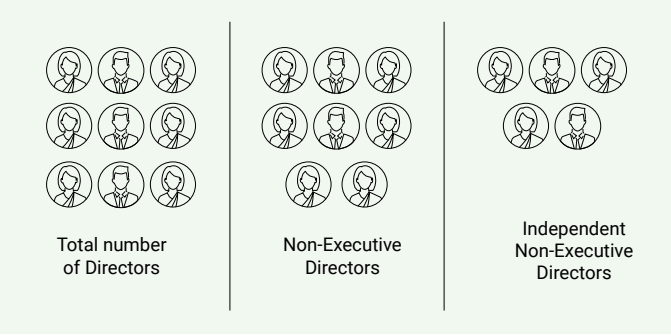
Board balance

Structure and composition

Our Board comprises a diverse blend of skills, experience, and perspectives, enabling objective and effective decision-making. Directors dedicate significant time and bring independent judgment to Board and Committee deliberations, ensuring that business functions are executed responsibly and in line with stakeholder expectations.

The Board of Directors conducts the affairs of the Company based on its diverse industry knowledge and experience and ensures that its composition is appropriate for the effective execution of its responsibilities. The inclusion of Independent Directors on the Board is essential to bring objectivity and transparency to the management and affairs of the Company.

As at 31 March 2026, the Board comprised nine Directors, of whom 08 were Non-Executive Directors. Of the 08 Non-Executive Directors, 05 were Independent Directors.



Majority of the Board comprises Non-Executive Directors' (08) if which five (05) are independent, thereby enriching discussions and bringing objective judgement to Board decisions.

Changes in Board composition during the year 2025/26

As part of the Board's ongoing commitment to ensuring the right mix of skills and experience to effectively guide the Company, the Board Nomination and Governance Committee (BNGC) conducted a review against the established skills matrix. This review identified strategic planning and corporate finance as an area where additional expertise would further strengthen the Board's collective capability.

In response, and in line with the Board's commitment to continuous improvement, Mr I Perera and Mr N Weerasinghe were appointed to the Board during the year.

Diversity and inclusion

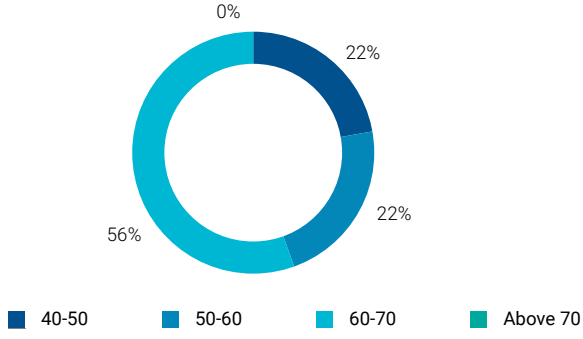
"Diversity is more than representation; it's the catalyst for innovation and sustainable growth."

In compliance with listing rules the group ensures board diversity by maintaining a balanced composition in terms of experience, skills, competencies, age, gender and industry expertise.

Age diversity

A broad age range among Directors fosters generational diversity in perspectives and leadership styles, contributing to balanced and forward-thinking governance.

Age diversity (%)

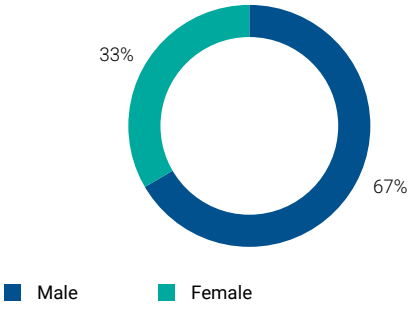


With 44% of Director's below the age 60. The Board is diverse in its age representation. Thereby combining both experience and fresh perspectives.

Gender diversity

We believe that maintaining diversity in gender representation contributes to a broader range of viewpoints, encourages more balanced decision-making, and reflects an inclusive governance culture.

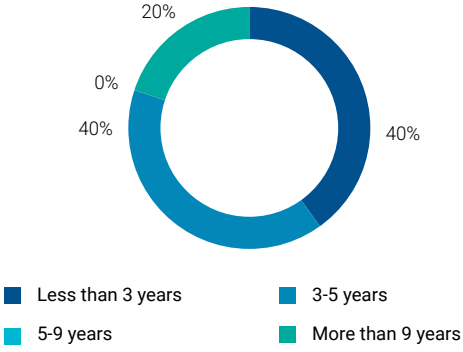
Gender diversity (%)



Tenure profile

Our Board comprises individuals with varied lengths of service, ensuring a healthy balance between continuity and renewal. This combination allows the organisation to benefit from institutional knowledge while also welcoming fresh perspectives to support dynamic governance.

Tenure profile (%)



Independence

Independence remains a cornerstone of our governance philosophy. Independent Directors offer unbiased views and critical oversight, helping to ensure decisions are made objectively and in the best interest of the Company and its stakeholders.

Expertise

(Section 9.10.4 (b))

Board appointments are made with a focus on relevant experience and professional competence across key areas such as finance, strategy, legal, and industry-specific knowledge. This diverse expertise equips the Board to guide the Company effectively in achieving its strategic objectives.

The size and skills composition of the Board is influenced by the demands of our diverse and complex business landscapes.

An appropriate mix of skills, knowledge and experience ensures that the Board is collectively equipped to drive the Group's strategy and value creation. With the formation of the BNGC, the Board has delegated the responsibility of assessing the Board composition required to provide leadership to Panasian Power PLC and its subsidiaries.

Please refer page 128 for detailed profiles of the Directors.

The Board maintains an appropriate balance of skills, expertise and experience required to effectively discharge its governance and oversight responsibilities. The skills matrix supports the assessment of the Board's collective competencies against the strategic and operational requirements of the Company.

Skills category	Description/Competency	Number of Directors on the Board
Core competencies	Financial acumen	6
	Investments	6
	Strategy and business planning	6
	Leadership	7
	Corporate Governance	5
	Risk Management	6
	Legal	5
	People and culture	6
Industry specific skills	Industry knowledge	5
	Construction processes, project management, and property development	4
	Marketing and business development	3
	Corporate transactions	5
Emerging trends	Expertise in environmental, social, and governance (ESG) factors/Sustainability	4
	International experience	5
	Technological proficiency/Digital literacy	3

Financial acumen

Five out of nine Directors possess sound knowledge and experience in financial matters, equipping the Board with the ability to critically evaluate financial performance, interpret financial reports, and make informed decisions on budgeting, capital management, and investment. This collective strength supports the Company's commitment to maintaining financial discipline and strategic growth.

Maintaining the independence element of the Board and fitness of Directors

(Section 9.8.5 (b) of the Listing Rules)

The number of independent directors on the Board are well above the minimum requirement specified by the CG Code 2023/Listing Rules. Thus, this provides a strong and independent element on the Board.

This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgment on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Another important factor in Board appointments is ensuring that individuals meet the criteria on fit and proper to carry out their duties.

For a director to be deemed "independent", such director is required to be independent of management and free of any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

The assessment on independence is carried out by the BNGC annually and as and when the circumstances require. The Directors submit annual declarations and circumstances would then be assessed by the Committee. The Company Secretary is entrusted with the task of tabling the declarations. Thereafter, the Committee reviews the declaration completed by each director and assesses the independence and recommends its assessment to the Board. As an additional measure, the Company Secretary via quarterly declarations confirms if there have been any changes to the annual declaration.

In addition, a dedicated agenda item is included at Board meetings for members to disclose any updates to their external directorships.

Out of eight Non-Executive Directors, five are independent. As at 31 March 2026, the following were determined as independent in accordance with the criteria under the Listing Rules: The Board was satisfied that all directors met the fit and proper assessment criteria specified under the Listing Rules.

- Mr L Silva;
- Mr K Kamburadeniya
- Ms C Pietersz
- Ms N Ranatunga
- Ms N Weerasinghe

Board's policy on other directorships

(Section 9.10.4 of the Listing Rules)

The Board has adopted a policy on external directorships to ensure that directors are able to dedicate sufficient time and attention to their responsibilities within the Company. The Company Secretary actively monitors compliance with this policy, including adherence to prescribed limits on the number of external Board roles.

In evaluating candidates for Board appointments, the BNGC places strong emphasis on the individual's capacity to commit adequate time to the role. This was a key criterion in the recent director selection process to ensure effective and responsible contribution.

Name of Director	No. of Board Seats/KMP in Listed Companies (excluding PAP)		No. of Board Seats/KMP in Unlisted Companies (excluding PAP)		Total number of directorships/KMP and Company names		Material business relationships of the director or close family member with other directors
	Executive Capacity	Non-Executive Capacity	Executive Capacity	Non-Executive Capacity	Number of Directorships	Company name	
Mr L Silva	Nil	04	Nil	10	14	• Finetech Consultancy (Private) Ltd • Lanka Pay (Pvt) Ltd • Subsidiaries of PAP • Seylan Bank PLC • HNB Assurance PLC • Melstacorp PLC • Distilleries Company of Sri Lanka PLC	Nil
Mr P Poddiwala	Nil	Nil	20	03	23	• Subsidiaries of PAP • Integrated Agro Solutions (Pvt) Ltd • Small Hydropower Developers Association • Suncore Solarcity (Pvt) Ltd	Nil
Mr D Sooriyaarachchi	Nil	05	01	03	09	• Lanka Shipping and Logistics Pvt Ltd • Prime Land Residencies PLC • Sati Human Development Institute (Pvt) Ltd • AIA Insurance Lanka PLC • Singer Sri Lanka PLC • Siyapatha Finance PLC • Medapp (Pvt) Ltd • Kelani Cables PLC • Subsidiary of PAP	Nil
Mr K Kamburadeniya	Nil	Nil	01	03	04	• K2 Consultants • Quadd Solutions (Pvt) Ltd • Promap (Pvt) Ltd • Subsidiary of PAP	Nil
Ms H Fernando	01	02	02	11	16	• Subsidiaries of PAP • United Motors Lanka PLC and subsidiaries • DFCC Bank PLC • R I L Property PLC and it's subsidiaries • A&T Associates	Nil
Ms C Pietersz	Nil	04	Nil	02	06	• Bogala Graphite PLC • Compass Advisory Services (Pvt) Ltd • Tambapanni Academic Publishers (Pvt) Ltd • Nations Trust Bank PLC • United Motors Lanka PLC • R I L Property PLC	Nil
Ms N Ranatunga	Nil	Nil	Nil	01	01	Subsidiary of PAP	Nil
Mr I Perera	01	Nil	Nil	05	06	R I L Property PLC	Nil
Mr N Weerasinghe	01	Nil	Nil	Nil	01	hSenid Business Solutions PLC	Nil

The role and responsibility of the Board

(Principle A.1.1 of the CG Code 2023)

The Board is responsible for providing strategic leadership and oversight to ensure the long-term success and sustainability of the Company.

- Formulate and oversee the implementation of business strategy
- Appointment of chairman, senior independent director (where relevant), CEO and Board sub committees;
- Ensuring that key management personnel have the required skills, experience, and knowledge to implement strategy
- Oversee Succession Planning for leadership continuity
- Approval of annual budgets and major capital expenditure;
- Ensure sound system for internal controls, risk management and information integrity
- Ensure sound system for internal controls, risk management and information integrity
- Integrate stakeholder interests into corporate decision making
- Ensure that businesses are developed in a sustainable manner and adopts integrated reporting frameworks.

Distinct Roles of the Chairman and Chief Executive Officer

In adherence to sound corporate governance principles, the roles of the Chairman and Chief Executive Officer are clearly separated and held by two distinct individuals. This separation ensures a balance of authority and promotes effective oversight and decision-making. The Chairman is primarily responsible for leading the Board and ensuring its effectiveness, while the CEO oversees the day-to-day management and operations of the Company. Chairman, Mr L Silva is an independent non-executive director while Mr P Poddiwala, CEO serves as an executive director.

Role of Chairman

(Principle A.3.1 of the CG Code 2023)

The Chairman plays a pivotal role in leading the Board, ensuring it functions effectively and in the best interest of the Company and its stakeholders which include following functions.

- Lead the Board and preserve order and facilitate the effective discharge of Board functions;
- Take a leading role in the Company's drive to achieve and maintain a high standard of corporate governance with the full support of the directors, Company Secretary and the Senior Management.
- Encourage the effective participation of both Non-Executive and Executive Directors within their respective capabilities for Company's benefit;
- Develop the agenda in consultation with the CEO, Directors and the Company Secretary, approves the agenda for the Board meeting and ensures sufficient allocation of time through discussion of agenda items;
- Ensure that the Board members receive accurate, timely information to enable them to make clear and sound decisions;
- Ensure regular meetings, the minutes of which are accurately recorded and where appropriate, include the individual and collective views of Directors;
- Facilitate and encourage discussions among all directors in decision making;
- Maintain a balance between Non-Executive and Executive Directors;

Role of Chief Executive Officer

- Lead the development of the Company's future strategy including identifying and assessing risks and opportunities for the growth of its business and reviewing the performance of its existing businesses;
- Run the day-to-day business within the authorities delegated to the CEO by the Board
- Formulate, obtain approvals and implement the Company strategies;
- Lead the development of senior management within the Company, with the aim of assisting the training and development
- Ensure that the Chairman is kept appraised in a timely manner of issues faced by the Company and any important events and developments;
- Continuously monitor and report to the Board on the performance of the Company;
- Ensure compliance with all applicable Laws and Regulations

Role of Company Secretary

(Principle A.1.4 of the CG Code 2023)

R. Weudagedara was appointed as the Company Secretary by the Board in 2021.

The Company Secretary plays a pivotal role in supporting the effective functioning of the Board and ensuring adherence to the highest standards of governance. This includes ensuring that Board, sub-committee, and shareholder meetings are conducted in accordance with the Articles of Association, the Code of Ethical Business Conduct for Directors, and all applicable legal and regulatory requirements.

The roles of the Company secretary has been defined in line with the provisions set out in the code and include the following;

- Facilitating the efficient conduct of monthly Board meetings and all sub-committee meetings.
- Ensuring that all proceedings of meetings are duly minuted and maintain the signed meeting minutes in minute books
- Ensuring that all Board committee are properly constituted and provided with clear terms of reference.
- Ensuring that the annual general meeting is held in line with regulatory requirements and that all notices, forms and reports necessary for the meeting are disseminated with approval of the Board.
- Maintaining the register required by regulations and filling of all statutory returns and documents with the Registrar of Companies.
- Advising Directors with respect to their duties and responsibilities in compliance with regulatory requirements.
- Act as a channel of communication and information for the non-executive Directors.
- Ensuring good relationships with shareholders.
- Filling and updating information of the Company with registrar of companies.
- Making timely disclosers to the Colombo Stock Exchange in terms of the listing rules and other regulatory bodies including disclosers on related party transactions.

Appointment to the Board

(Principle A.7.1 and A.7.2 of the CG Code 2023)

Board appointments follow a formal and transparent manner, as determined by the Nomination and Governance Committee, which assesses the group's strategic demands as well as diversity, skills and competencies of the Board. The Board considers the recommendations of the Nominations and Governance Committee and recommends suitable candidates for appointments or re-election by the shareholders at the Annual General Meeting under the guidance of the Nominations and Governance Committee.

Director induction

The Company Secretary is responsible to ensure that the Director receives an induction, on joining the Board. On appointment, the new director undergoes a comprehensive induction program to familiarise of the business and governance policies at PAP. New Director is provided with a comprehensive orientation pack consisting of all relevant external and internal regulations that the Director should be aware of. Formal meetings with the senior management are held, thereby facilitating Board interaction and independent access to the senior management. As a part of the induction process, site visits are also arranged upon request.

Training for new and existing directors

(Principle A.1.8 of the CG Code 2023)

The Board acknowledges the need for continuous development and expansion of knowledge and skills of new and existing Directors.

- Adequate knowledge sharing opportunities are provided on a continuous basis at the cost of the Company, in relation to general aspects of directorship as well as matters specific to the industry and the Company.
- The BNGC reviews and makes recommendations on the training and professional development programs to the Board
- The annual self – assessment by directors also identifies if there are any training needs of directors.
- As a part of the Company's continuing education process for Directors, the Company Secretary circulates to the Board any articles, press releases to keep the Directors updated on current trends and issues.
- The Company Secretary also informs the Directors on the training avenues available, matters that are current and relevant to the Board's effective performance, which also include matters specific to the industry and the Company. These training programs may be conducted either by the Company's internal experts in the relevant field or by external agencies.
- From time to time, Board members are given insights into regulatory changes that may impact the industry, at Board Meetings.

Training/ Development area	Focus
Regulatory & Governance updates	Companies Act amendments, Amendments to the Listing Rules, Personal Date Protection (Amendments) Act, No. 22 of 2025
Sustainability & ESG	Sustainability-related developments and ESG considerations

Meetings

(Principle A.1.1 of the CG Code 2023)

Process

The dates of Board and Board sub-committee meetings are scheduled well in advance at the beginning of the year. To assist Directors in planning their attendance, the Company Secretary consults every director before fixing the dates for these meetings.

Frequency

Board meetings are usually held on a quarterly basis, unless business exigencies demand the convening of additional meetings.

Urgent matters are also referred to the Board via circulation, where in-person meeting is not feasible, however this is the exception, not the rule. Instances where decisions are made by way of circular resolutions, all relevant information pertaining to the resolution are sent along to enable the directors to clearly understand the purpose for which a resolution is being circulated. However, if a single director deems it necessary that such resolution much be declared at a Board meeting and not by circulation, the Chairman shall put the resolution to be decided at a meeting.

As a practice of good governance, all resolutions which are passed during a quarter are tabled at the meeting subsequently by the Company Secretary, for the information of the Board.

Mode of holding meetings

Directors may join meetings via phone or video conferencing, in line with the Articles of Association and relevant terms of reference of the subcommittees.

Attendance disclosure

(Section 9.10.4 (f-h) of the Listing Rules)

The details of the number of Board meetings/ Board sub-committee meetings held in the year as well as the attendance of each Board member at those meetings are disclosed below.

Board and sub-committee meetings

Board

Name of Director	Attendance *
Mr L Silva – Chairman	13/14
Ms H Fernando	14/14
Mr D Sooriyaarachchi	13/14
Mr K Kamburadeniya	11/14
Ms C Pietersz	12/14
Ms N Ranatunga	13/14
Mr I Perera**	9/9
Mr N Weerasinghe***	7/7
Mr P Poddiwala – CEO (attended by invitation)	14/14

* (Attended/Eligible to attend)

** Appointed w.e.f. 05 August 2025

*** Appointed w.e.f. 15 September 2025

Board Audit and Risk Committee

Name of Director	Committee status	Attendance *
Ms C Pietersz	Chairperson	13/14
Ms H Fernando	Member	14/14
Mr K Kamburadeniya	Member	10/14
Ms N Ranatunga	Member	13/14
Mr P Poddiwala (attended by invitation)	CEO	10/12

* (Attended/Eligible to attend)

Board Related Party Transactions Review Committee

Name of Director	Committee status	Attendance *
Ms N Ranatunga	Chairperson	6/6
Mr L Silva	Member	5/6
Mr D Sooriyaarachchi	Member	5/6
Ms H Fernando	Member	6/6
Ms C Pietersz	Member	5/6
Mr P Poddiwala (attended by invitation)	CEO	6/6

* (Attended/Eligible to attend)

Board Human Resource and Remuneration Committee

Name of Director	Committee status	Attendance *
Mr K Kamburadeniya	Chairman	5/6
Mr L Silva	Member	5/6
Mr D Sooriyaarachchi	Member	6/6
Ms H Fernando	Member	6/6
Ms N Ranatunga	Member	6/6
Mr P Poddiwala (attended by invitation)	CEO	6/6

* (Attended/Eligible to attend)

Board Nominations and Governance Committee

Name of Director	Committee status	Attendance *
Mr K Kamburadeniya	Chairman	4/6
Mr L Silva	Member	6/6
Mr D Sooriyaarachchi	Member	4/6
Ms H Fernando	Member	6/6
Ms C Pietersz	Member	5/6
Mr P Poddiwala (attended by invitation)	CEO	5/6

* (Attended/Eligible to attend)

Meeting Documentation

The Company Secretary prepares detailed minutes, which are approved by the Chairman and then circulated to the Board for feedback. Differing views are recorded to ensure transparency.

Supply of information

(Principle A.6.1. of the CG Code 2023)

Board members receive timely, structured, and relevant information to support effective decision-making. This process has been standardised and agreed upon by the Board.

Agendas and supporting documents are circulated at least seven days in advance to enable directors to prepare thoroughly.

Access to Independent Professional Advice

Directors are permitted to obtain independent professional advice when they disagree with the management or majority views on Board matters.

Such requests should be made through the Company Secretary, either verbally or in writing.

If in-house expertise is insufficient and external input is considered necessary by the Chairman and the concerned Director, the Board may approve the appointment of an independent expert. The Company will bear the cost of this advice unless it is deemed to benefit the individual Director exclusively.

Performance evaluation of the Board and sub-committees

(Principle A 9.1 and A.9.2 of the CG Code 2023)

It is of importance that the Board periodically appraises its own performance, in order to ensure that it adequately meets its responsibilities as well as to facilitate continuous improvement individually and collectively.

The Board has implemented a process for assessing the effectiveness of the Board as a whole, effectiveness of its Board sub-committees and the contribution by each individual director to the effectiveness of the Board, on an annual basis.

The collective outcome thereafter was compiled and tabled at a BNGC meeting, which made recommendations to the Board on actions needed to be taken to improve the balance of skills, experience, independent, industry and company knowledge training for the Directors and other factors pertaining to Board effectiveness.

The process for the performance evaluation of the Board which was followed during the year is as follows:

Performance evaluation of the Board and sub-committees

(Principle A.9 of the CG Code 2023)

- Conducted an annual evaluation of the effectiveness of the Board, Board sub-committees and individual Directors in accordance with the established Board evaluation framework;
- Identified areas for continuous improvement and governance enhancement arising from the evaluation process, with appropriate follow-up actions communicated where necessary;

Performance appraisal of the CEO

(Principle A 11.1 and A.11.2 of the CG Code 2023)

At the beginning of the Financial Year, the Board discusses and set financial and non-financial targets to be achieved by the CEO during the year, in line with the short, medium and long-term objectives of the Company.

In doing so, the Board will take into consideration the changes in the operating environment. The CEO is responsible to provide the Board with explanations for any adverse variances together with proposed actions to be taken. Remuneration is revised based on the performance. Areas identified for improvement are communicated to the CEO inclusive of any training needs, skills and any knowledge gaps.

As delegated by the Board, the evaluation of the CEO was conducted by the BHRC during the year. The BNGC ascertained that a suitable process is maintained for the periodic evaluation of the performance of the CEO to ensure that responsibilities are satisfactorily discharged.

- process, with appropriate follow-up actions communicated where necessary;
- Conducted the annual performance evaluation of the CEO during the year, taking into consideration strategic, operational, financial and governance-related objectives;
- Identified areas for continued professional development and relevant training and development recommendations were communicated where appropriate;

Please refer BHRC report page 170 For more details.

Code of conduct for directors and employees

(Principle D.5.1 of the CG Code 2023)

The Board is committed to creating an ethically conducive culture and set the tone from the top. The Board has in place Code of Conduct and Ethics which all directors and employees are required to adhere to.

All employees receive training on compliance with the Code as a part of their induction and periodic refresher sessions are held.

The Company has in place a policy on dealing with shares of the Group applicable for directors and employees which sets out the procedure to be followed in case of share trading. In addition, during the year, all employees signed off a declaration that to the best of their knowledge they have complied with the provisions of the policy on dealing with shares of the Group.

ESG Integration

(Principle H.1 of the CG Code 2023)

The strategic integration of ESG remains a priority for the group, reflecting escalating stakeholder concerns on sustainability, increasingly stringent regulatory requirements and an evolving operating landscape. In recent years, the group has sought to strengthen sustainability governances, as it seeks to embed ESG thinking across decision making process and organizational culture.

Approach to Anti-bribery and Corruption

Bribery and corruption management is integrated into our compliance and risk management programmes with multiple processes, frameworks and standards in place to govern ethics management, political contributions, gifts, donations and facilitation payments among others.

Delegation of authority and Board sub-committees

The Board has delegated some of its functions to the Board sub-committees in order to ensure the committees to focus on their delegated areas of responsibility. The Chairman of the Board does not hold the position as chair of any Board Committee in accordance with the provisions of Section 9.3.3 of the CSE Listing Rule 9. Each sub-committee is comprising of its own governing instrument called as the Terms of reference. All the actions or decisions taken up at the sub-committee level has to be tabled and discussed at the main Board meeting.

List of Board sub-committees:

- Board Audit and Risk Committee
- Board Related Party Transactions Review Committee
- Board Human Resource and Remuneration Committee
- Board Nominations and Governance committee

Please refer page 167 to 177 for the Board sub-committee Reports.

Communication with shareholders

(Section 9.4.2 of the Listing Rules)

(Principles C.2.1 to C.2.7 of the CG Code 2023)

The Company maintains open and transparent communication with shareholders through various channels, including the Annual General Meeting (AGM), Annual Report, interim financial statements, a dedicated investor relations section on the corporate website, and timely announcements via the Colombo Stock Exchange (CSE).

The Annual Report provides a clear and balanced overview of the Company's financial health, performance, and future outlook, presented with a mix of narrative and visual elements to enhance clarity.

Shareholders may at any time able to contact Company Secretary by way of following channels, or in her absence they may reach out to the Chairman for any clarification

Email Address	Telephone Number	Address
info@panasianpower.com	0114501200/ 0114651114	Level 04, BTL shipping House, No.45/2, Braybrooke street, Colombo 02

The Company formalised the shareholder and investor communications by way of a policy which is available on the Company website. The policy aims to facilitate shareholders' and Investors access to public information, promote active engagement and exercise their rights through effective communication channels established by the Company.

Communication of major issues and concerns

The policy details the process to be followed in case of major issues and concerns which is as follows:

- Shareholders or investors can raise their queries/concerns to the Board in writing via the Company Secretary.
- Upon receipt of any such communication, the Company Secretary shall immediately forward the same to the Board for their review.
- Upon thorough examination, the Board will deliberate on the concerns raised and approve the course of action to address these issues.
- Prompt feedback will be provided to the concerned shareholders or investors, either within a specified timeline or as soon as practically feasible, outlining the resolution or steps taken to address their concerns.
- The Company Secretary shall maintain records of all correspondence received.

Statement of compliance under section 7.6 of listing rules of the Colombo stock exchange (CSE) on annual report disclosure

Mandatory provisions – fully compliant

CSE Rule reference and description		Extent of compliance	Section reference in the Annual Report
The table below summarises the status of compliance with section 7.6 of the Listing Rules of the Colombo Stock Exchange on the contents of the Annual Report.			
7.6 Contents of the Annual Report			
(i)	Names of persons who were directors of the Company during the financial year	√	Annual Report of the Board of Directors on page 189
(ii)	Principal activities of the Company and its subsidiaries during the year and any changes therein	√	Annual Report of the Board of Directors on page 187
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares denominated in LKR and the percentage of such shares held as at the end of the financial year	√	Share information on page 291
(iv)	The float adjusted market Capitalization, the public holding percentage, number of public shareholders and option under which the Company complies with the minimum public holding requirement	√	Share information on page 291
(v)	A statement of each Directors' and Chief Executive Officer's holding in shares of the Company	√	Annual Report of the Board of Directors on page 187 Share information on Page 190
(vi)	Information pertaining to material foreseeable risk factors of the Company.	√	Please refer the Risk Management Report on page 178
(vii)	Details of material issues pertaining to employees and industrial relations of the Company.	Not applicable	Please refer the Human Capital Report on page 94
(viii)	Extents, locations, valuations and the number of buildings of the land holdings and investment properties	√	Note 15 to the Financial Statements
(ix)	Number of shares representing the stated capital	√	Note 29 to the Financial Statements
(x)	A distribution schedule of the number of holders in each class of equity securities and the percentage of their total holdings	√	Share information on page 291
	No. of Holders / Holdings / Total Holdings %		
	1 – 1000 1,001 – 10,000 shares 10,001 – 100,000 shares 100,001 – 1, 000,000 shares Over 1,000,000 shares		
(xi)	Ratios and market price information on: 1. Dividend per share; 2. Dividend pay-out; 3. Net Asset Value per share; 4. Market value per share; – Highest lowest values recorded during the Financial Year – Value as at end of the Financial Year		Share information on page 292
(xii)	Significant changes in the Company's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value	√	Note 15 to the Financial Statements
(xiii)	Details of funds raised through a public issue, Rights Issue and a private placement during the year; a. A statement as to the manner in which proceeds of such issue have been utilized; b. If any shares or debentures have been issued, the number, class and consideration received and the reason for the issue; c. Any material change in the use of funds raised through an issue of securities	Not applicable	During the year under review, there were no public issues, rights issues or private placements

CSE Rule reference and description		Extent of compliance	Section reference in the Annual Report
(xiv)	a. and b. Information in respect of Employee Share Option or Share Purchase Schemes	Not applicable	The Company does not have any Employee Share Option or Share Purchase Schemes at present.
(xv)	Disclosures pertaining to Corporate Governance Practices in terms of Section 9 of the Listing Rules	√	Please refer Appendix 2 on page 155 for the disclosures.
(xvi)	Related party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower. Details of investments in a related party and/or amounts due from a related party to be set out separately. The details shall include, as a minimum: i. The date of the transaction; ii. The name of the Related Party; iii. The relationship between the Company and the Related Party; iv. The amount of the transaction and terms of the transaction; v. The rationale for entering into the transaction.	Not applicable	There were no related party transactions which exceeded 10 % of the Equity or 5 % of the Total Assets, during the year under review.

Statement of compliance under section 9 of listing rules of the CSE on Corporate Governance

Mandatory provisions – fully compliant

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.1.3	Statement confirming extent of compliance in the Annual Report	Complied
9.2	**Policies**	Complied
	(a) Policy on the matters relating to the Board of Directors (b) Policy on Board Committees (c) Policy on Corporate Governance, Nominations and Re-election (d) Policy on Remuneration (e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities (f) Policy on Risk management and Internal controls (g) Policy on Relations with Shareholders and Investors (h) Policy on Environmental, Social and Governance Sustainability (i) Policy on Control and Management of Company Assets and Shareholder Investments (j) Policy on Corporate Disclosures (k) Policy on Whistleblowing (l) Policy on Anti-Bribery and Corruption	Complied
9.2.2	Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted by the Listed Entity shall be fully disclosed in the Annual Report.	Not applicable
9.2.3	Listed Entities shall disclose in its Annual Report; (i) the list of policies that are in place in conformity Rule 9.2.1 above, with reference to its website. (ii) details pertaining to any changes to policies adopted by the Listed Entities in compliance with Rule 9.2 above.	Complied
9.2.4	Listed Entities shall make available all such policies to shareholders upon a written request being made for any such Policy.	Complied
9.2.5 i – iii	Enforcement actions in case of failure to comply with Rule 9.2.1	Not applicable

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.3	**Board Committees**	
9.3.1	Following Board committees are established and maintained at a minimum and are functioning effectively (a) Board Nominations and Governance Committee (b) Board Human Resource and Remuneration Committee (c) Board Audit and Risk Committee (d) Board Related Party Transactions Review Committee.	Complied
9.3.2	Listed Entities shall comply with the composition, responsibilities and disclosures required in respect of the above Board committees as set out in these Rules.	Complied
9.3.3	The Chairman of the Board of Directors of the Listed Entity shall not be the Chairman of the Board Committees referred to in Rule 9.3.1 above.	Complied
9.4	**Adherence to principles of democracy in the adoption of meeting procedures and the conduct of all General Meetings with shareholders**	
9.4.1	Listed Entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC. (a) The number of shares in respect of which proxy appointments have been validly made; (b) The number of votes in favour of the resolution; (c) The number of votes against the resolution; and (d) The number of shares in respect of which the vote was directed to be abstained.	Complied
9.4.2	Communication and relations with shareholders and investors (a) Listed Entities shall have a policy on effective communication and relations with shareholders and investors and disclose the existence of the same in the Annual Report and the website of the Listed Entity. (b) Listed Entities shall disclose the contact person for such communication. (c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders, and such process shall be disclosed by the Entity in the Annual Report and the website of the Entity.	Complied
	(d) Listed Entities that intend to conduct any shareholder meetings through virtual or hybrid means shall comply with the Guidelines issued by the Exchange in relation to same and published on the website of the Exchange.	Complied
9.5	**Policy on matters relating to the Board of Directors**	
9.5.1	Listed Entities shall establish and maintain a formal policy governing matters relating to the Board of Directors and such policy shall:	Complied
	(a) recognize the need for a balance of representation between Executive and Non-Executive Directors and cover at minimum Board composition, the roles and functions of the Chairperson and Chief Executive Officer or equivalent position (hereinafter commonly referred to as the CEO), Board balance and procedures for the appraisal of Board performance and the appraisal of the CEO.	Complied
	(b) where a Listed Entity decides to combine the role of the Chairperson and CEO, (i) set out the rational for combining such positions; and, (ii) require the Board Charter of the Listed Entity to contain terms of reference/functions of the Senior Independent Director (SID) and the powers of the SID, which should be equivalent to that of the Chairperson in the instance of a conflict of interest. (iii) set out the measures implemented to safeguard the interests of the SID.	Not applicable

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
	(c) require diversity in Board composition for Board effectiveness in terms of a range of experience, skills, competencies, age, gender, industry requirements and importance of objective selection of directors. (d) stipulate the maximum number of Directors with the rationale for the same (e) specify the frequency of Board meetings, having regard to the requirements under the Listing Rules. (f) provide mechanisms for ensuring that Directors are kept abreast of the Listing Rules and on-going compliance and/or non-compliance by the Listed Entity with obligations arising under such Rules. (g) specify the minimum number of meetings, in numbers and percentage, that a Director must attend, in order to ensure consistent attendance at Board Meetings and to avoid being deemed to vacate such position. (h) provide requirements relating to trading in securities of the Listed Entity and its listed group companies and disclosure of such requirements. (i) specify the maximum number of directorships in Listed Entities that may be held by Directors. (j) Recognize the right to participate at meetings of the Board and Board Committees by audio visual means and for such participation to be taken into account when deciding on the quorum.	Complied
9.5.2	Listed Entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action.	Complied
9.6	**Chairman and CEO**	
9.6.1	The Chairperson of every Listed Entity shall be a Non-Executive Director and the position of Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such entity in terms of Rule 9.6.3 below.	Complied
9.6.2	Where the Chairperson of a Listed Entity is an Executive Director and/or the positions of the Chairperson and CEO are held by the same individual, such entity shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an Immediate Market Announcement if such date of appointment and/or combination of the said roles falls subsequent to the implementation of these Rules Such Market Announcement shall include the following: (a) Rationale for appointment of an Executive Director as Chairperson and/or (b) The rationale for combining the positions of the Chairperson and CEO	Not applicable
9.6.3	(a) A Listed Entity shall appoint an Independent Director as the SID in the following instances: i. The Chairperson and CEO are the same person ii. The Chairperson is an Executive Director ii. The Chairperson and CEO are Close Family Members or Related Parties Such appointment shall be immediately disclosed with reasons for such appointment, by way of a Market Announcement. (b) The Independent Directors shall meet at least once a year or as often as deemed necessary at a meeting chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the Entity and the operation of the Board. The SID shall provide feedback and recommendations from such meetings to the Chairperson and the other Board Members. (c) The SID shall chair a meeting of the Non-Executive Directors without the presence of the Chairperson at least annually, to appraise the Chairperson's performance and on such other occasions as are deemed appropriate. (d) The SID shall be entitled to a casting vote at the meetings specified in Rules 9.6.3. (b) and (c) above. (e) The SID shall make a signed explanatory disclosure in the Annual Report demonstrating the effectiveness of duties of the SID.	Not applicable
9.6.4	Where a Listed Entity has appointed a SID as required in terms of Rule 9.6.1 above, such Entity shall set out the rationale for such appointment in the Annual Report of the Entity.	Not applicable

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.7	**Fitness of directors and CEOs:**	
9.7.1	The Listed Entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules:	Complied
	In evaluating fitness and propriety of the persons referred in these Rules, Listed Entities shall utilize the 'Fit and Proper Assessment Criteria' set out in Rule 9.7.3 below.	
9.7.2	Listed Entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made.	Complied
9.7.3	Fit and Proper Assessment Criteria: (a) Honesty, Integrity and Reputation (b) Competence and Capability (c) Financial Soundness	Complied
9.7.4	Listed Entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them have continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation.	Complied
9.7.5	**Listed Entities shall include the following disclosures/reports in the Annual Report;** (a) A statement that the Directors and CEO of the Listed Entity satisfy the Fit and Proper Assessment Criteria stipulated in the Listing Rules of the Colombo Stock Exchange. (b) Any non-compliance/s by a Director and/or the CEO of the Listed Entity with the Fit and Proper Assessment Criteria set out in these Rules during the Financial year and the remedial action taken by the Listed Entity to rectify such non- compliance/s.	
9.8.1	The Board of Directors of a Listed Entity shall, at a minimum, consist of five (05) Directors.	Complied
9.8.2	Minimum Number of Independent Directors: (a) include at least two (2) Independent Directors or such number equivalent to one third (1/3) of the total number of Directors of the Listed Entity at any given time, whichever is higher	Complied
	(b) Any change occurring to this ratio shall be rectified within ninety (90) days from the date of the change.	N/A
9.8.3	Criteria for determining independence: A Director shall not be considered independent if he/she: (i) has been employed by the Listed Entity during the period of three (3) years immediately preceding appointment as Director. (ii) currently has/had during the period of three (3) years immediately preceding appointment as a Director, a Material Business Relationship with the Listed Entity, whether directly or indirectly. (iii) currently has/had during the preceding financial year a Close Family Member who is a Director and/or CEO in the Listed Entity. (iv) has a Significant Shareholding in the Listed Entity. (v) has served an aggregate period of nine (9) years on the Board of the Listed Entity from the date of the first appointment. (vi) is employed in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. in which a majority of the other directors of the Listed Entity have a Significant Shareholding or Material Business Relationship; or c. that has a Significant Shareholding in the Listed Entity or with which the Listed Entity has a Business Connection. (vii) is a director of another company; a. in which a majority of the other directors of the Listed Entity are employed or are directors; or b. that has a Business Connection in the Listed Entity or a Significant Shareholding. (viii) has a Material Business Relationship or a Significant Shareholding in another company or business; a. in which a majority of the other directors of the Listed Entity are employed or are directors; and/or b. which has a Business Connection with the Listed Entity or Significant Shareholding in the same; and/or c. where the core line of business of such company is in direct conflict with the line of business of the Listed Entity.	Complied

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
	(ix) is above the age of seventy (70) years Provided that a person above the age of seventy (70) years may nevertheless be considered independent if: (a) The Nominations and Governance Committee of the Listed Entity recommends the appointment of such individual aged seventy (70) years or above as an independent director to the Board of Directors of the Entity, along with the justification and rationale for such opinion; (b) The Board of Directors resolve to confirm the recommendation made by the Nominations and Governance Committee; and (c) The recommendation of the Nominations and Governance Committee along with the justification and rationale and confirmation by the Board of Directors of the Listed Entity is approved by way of a resolution passed with the affirmative votes of the majority of the Listed Entity's public shareholders voting in person or proxy at a General Meeting. (d) Provided further that, if an existing director is above the age of seventy (70) years as of the date of this rule and a Listed Entity wishes to continue to treat such person as an Independent Director, the Listed Entity may do so provided that the Listed Entity shall comply with all of the conditions set out in sub clauses (a), (b) and (c) at the General Meeting of the Listed Entity which is held immediately following the adoption of this rule and further, that such General Meeting shall be held not more than twelve months after this rule takes effect. The requirements of sub clauses (a), (b) and (c) shall be repeated at each Annual General Meeting of the Listed Entity in respect of any director over the age of seventy years whom the Listed Entity wishes to continue to treat as independent.	
9.8.5	The Board of Directors of Listed Entities shall require:	
	(a) Each Independent Director to submit a signed and dated declaration annually of his or her "independence" or "non-independence" against the criteria specified herein and in the format in Appendix 9A, containing at a minimum the content prescribed therein.	Complied
	(b) Make an annual determination as to the "independence" or "non-independence" of each Independent Director based on the Directors` declaration and other information available to it and shall set out the names of Directors determined to be 'independent' in the Annual Report.	Complied
	(c) If the Board of Directors determines that the independence of an Independent Director has been impaired against any of the criteria set out in Rule 9.8.3, it shall make an immediate Market Announcement thereof.	N/A
9.8.6 (A) and (B)	Action for non-compliance with Rule 9.8.1 and/or 9.8.2	N/A
9.9	**Alternate Directors** (a) Alternate directors shall only be appointed in exceptional circumstances and for a maximum period of one (1) year from the date of appointment. (b) If an Alternate Director is appointed for a Non-Executive Director such alternate should not be an executive of the Listed Entity. (c) If an Alternate Director is appointed by an Independent Director, the person so appointed should meet the criteria of independence specified in these Rules and the Listed Entity shall satisfy the requirements relating to the minimum number of Independent Directors specified in these Rules. The Nominations and Governance Committee shall review and determine that the person nominated as the alternate would qualify as an Independent Director before such appointment is made. (d) The Listed Entity shall make an immediate Market Announcement regarding the appointment of an Alternate Director. Such Market Announcement shall include the following; i. The exceptional circumstances leading to such appointment; ii. The information on the capacity in which such Alternate Director is appointed, i.e., whether as an Executive, Non-Executive or Independent Director; iii. The time period for which he/she is appointed, which shall not exceed one (1) year from the date of appointment; and, iv. A Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity. (e) The attendance of any Alternate Director at any meeting, including a Board Committee Meeting shall be counted for the purpose of quorum.	N/A. Provisions are included into the Articles

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.10	**Disclosures relating to directors**	
9.10.1	Listed Entities shall disclose its policy on the maximum number of directorships it's Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above.	Complied
9.10.2	Listed Entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following; i. a brief resume of such Director; ii. his/her capacity of directorship; and, iii. Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity.	Complied. During the year two directors were appointed to the Board and immediate market disclosure was made
9.10.3	Listed Entities shall make an immediate Market Announcement regarding any changes to the composition of the Board of Directors or Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof.	N/A
9.10.4	Directors of the Listed Entities shall also disclose the requirements given under this section in the Annual Report (a) name, qualifications and brief profile; (b) the nature of his/her expertise in relevant functional areas; (c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Listed Entity; (d) whether Executive, Non-Executive and/or independent Director; (e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel indicating whether such companies are listed or unlisted Companies and whether such Director functions in an executive or non-executive capacity, provided that where he/she holds directorships in companies within a Group of which the Listed Entity is a part, their names (if not listed) need not be disclosed; it is sufficient to state that he/she holds other directorships in such companies; (f) number of Board meetings of the Listed Entity attended during the year; (g) names of Board Committees in which the Director serves as Chairperson or a member; (h) Details of attendance of Committee Meetings of the Audit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shall include the number of meetings held and the number attended by each member.; and, (i) The terms of reference and powers of the SID (where applicable).	Complied
9.10.5 A-B	Enforcement action for non-disclosure of changes to Board or committee composition in terms of Rule 9.10.2 and 9.10.3.	N/A
9.11	**Nominations and Governance Committee**	
9.11.1	Listed Entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules.	Complied
9.11.2	Listed Entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee.	Complied
9.11.3	The Nominations and Governance Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.11.4	(1) The members of the Nominations and Governance Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors. (3) The Chairperson and the members of the Nominations and Governance Committee shall be identified in the Annual Report of the Listed Entity.	Complied
9.11.5	The functions of the Nominations and Governance Committee (i) Evaluate the appointment of Directors to the Board of Directors and Board Committees of the Listed Entity. However, a member of the Nominations and Governance Committee shall not participate in decisions relating to his/her own appointment. (ii) Consider and recommend (or not recommend) the re-appointment/re-election of current Directors taking into account; • the combined knowledge, experience, performance and contribution made by the Director to meet the strategic demands of the Listed Entity and the discharge of the Board's overall responsibilities; and, • the number of directorships held by the Director in other listed and unlisted companies and other principal commitments. (iii) Establish and maintain a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Listed Entity. (iv) Establish and maintain a set of criteria for selection of Directors such as the academic/professional qualifications, skills, experience and key attributes required for eligibility, taking into consideration the nature of the business of the Entity and industry specific requirements. (v) Establish and maintain a suitable process for the periodic evaluation of the performance of Board of Directors and the CEO of the Entity to ensure that their responsibilities are satisfactorily discharged. (vi) Develop succession plan for Board of Directors and Key Management Personnel of the Listed Entity. (vii) Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities. (viii) Review and recommend the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/ international best practices. (ix) Periodically review and update the corporate Governance Policies / Framework of the Entity in line with the regulatory and legal developments relating to same, as a best practice. (x) Receive reports from the Management on compliance with the corporate governance framework of the Entity including the Entity's compliance with provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rational for same.	Complied
9.11.6	Disclosures in Annual Report shall contain a report of the Nominations and Governance Committee signed by its Chairperson	Complied

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.12	**Board Human Resource and Remuneration Committee**	
9.12.2	Listed Entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules.	Complied
9.12.3	The Remuneration Committee shall establish and maintain a formal and transparent procedure for developing policy on Executive Directors' remuneration and for fixing the remuneration packages of individual directors. No Director shall be involved in fixing his/her own remuneration.	Complied
9.12.4	Remuneration for Non-Executive Directors should be based on a policy which adopts the principle of non-discriminatory pay practices among them to ensure that their independence is not impaired.	Complied
9.12.5	Remuneration Committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meetings.	Complied
9.12.6	(1) The members of the Remuneration Committee shall; (a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity. (b) not comprise of Executive Directors of the Listed Entity. (2) An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors.	Complied
9.12.7	(1) The Remuneration Committee shall recommend the remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations. (2) The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO.	Complied
9.12.8	Disclosure in Annual Report The Annual Report should set out the following: (a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members; (b) A statement regarding the remuneration policy; and, (c) The aggregate remuneration of the Executive and Non-Executive Directors	Complied
9.13	**Board Audit and Risk Committee**	
9.13.1	Where Listed Entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed Entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules.	Complied
9.13.2	The Audit Committee shall have a written terms of reference clearly defining its scope, authority and duties.	Complied

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.13.3	(1) The members of the Audit Committee shall; (a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors. (b) not comprise of Executive Directors of the Listed Entity.	Complied
	(2) The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.	Complied
	(3) The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis, prior to recommending the financials to be released to the market.	Complied
	(4) An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors	Complied
	(5) Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.	Complied
	Provided however where the Listed Entity maintains a separate Risk Committee, the CEO shall attend the Risk Committee meetings by invitation.	Audit and Risk functions both operate by the same committee w.e.f. 1 Oct 2024
	(6) The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body.	Complied
	Provided however, this Rule shall not be applicable in respect of Risk Committees where a Listed Entity maintains a separate Risk Committee and Audit Committee.	N/A
9.13.4	Functions of the Audit Committee	
	(i) Oversee the Entity's compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.	Complied
	(ii) Review the quarterly results and year-end financial statements of the Entity prior to tabling for the approval of the Board of Directors of the Entity with special reference to what is mentioned under the section	Complied
	(iii) To make recommendations to the Board pertaining to appointment, reappointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors.	Complied
	(iv) Obtain and review assurance received from: (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Entity's operations and finances; and (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Entity's risk management and internal control systems.	Complied
	(v) Review the internal controls in place to prevent the leakage of material information to unauthorised persons.	Complied
	(vi) Oversee the processes to ensure that the Entity's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards.	Complied
	(vii) Review and assess the Company's risk management process, including the adequacy of the overall control environment and controls in areas of significant risks and updated business continuity plans.	Complied
	(viii) Review the risk policies adopted by the Entity on an annual basis.	Complied
	(ix) Take prompt corrective action to mitigate the effects of specific risks in the case such risks are at levels beyond the prudent levels decided by the committee on the basis of the Listed Entity's policies and regulatory requirements.	Complied
	(x) Review the scope and results of the internal and external audit and its effectiveness, and the independence, performance and objectivity of the auditors.	Complied
	(xi) To develop and implement policy on the engagement of the external auditor to supply non-audit services, at minimum taking into account relevant ethical guidance regarding the provision of non-audit services by an external audit firm; and to report to the Board identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps ought to be taken.	Complied

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
	(xii) if a change of auditor is recommended by the Audit Committee in circumstances where the audit opinion of the immediately disclosed financial period or any period where subsequent disclosure of audit opinion is pending and such opinion carries a modification or an emphasis of matter of going concern, then the Audit Committee report shall include the rationale of the Audit Committee for recommending the removal of the auditor.	N/A
	(xiii) Where the Audit Committee is of the view that a matter reported by it to the Board of Directors of a Listed Entity has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee shall promptly report such matter to the Exchange.	N/A
	(2) Where Listed Entities maintain two (02) separate Committees to carry out the Audit and Risk functions, the terms of reference of such Committees shall, at a minimum, include the respective functions stipulated in Rule 9.13.4 (1) above.	N/A
9.13.5	Disclosures in Annual Report	
	(1) The Audit Committee shall also prepare an Audit Committee Report which shall be included in the Annual Report of the Listed Entity. The Audit Committee Report shall set out the manner in which the Entity has complied with the requirements applicable to the Audit Committee during the period for which the Annual Report relates.	Complied
	(2) The Audit Committee Report shall contain the disclosures mentioned under the section	
	(a) the names of the Chairperson and the members of the Audit Committee, and the nature of directorships held by such members;	
	(b) The status of risk management and internal control of the Listed Entity and as a Group (where applicable).	
	(c) A statement that it has received assurance from the CEO and the CFO of the Entity's operations and finances.	
	(d) An opinion on the compliance with financial reporting requirements, information requirements under these Rules, the Companies Act and the SEC Act and other relevant financial reporting related regulations and requirements.	
	(e) whether the Listed Entity has a formal Audit Charter;	
	(f) the manner in which internal audit assurance is achieved and a summary of the work of the internal audit function;	
	(g) Details demonstrating the effective discharge of its functions and duties for that financial year of the Listed Entity;	
	(h) a statement confirming that written assurance was obtained from the external auditors approved by the SEC, confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and	
	(i) a statement confirming that the Audit Committee has made a determination of the independence of auditors and the basis of such determination. It shall also contain details on the number of years that the external auditor and the audit partner were engaged. If the external auditor provides non audit services, explanations must be made of how auditor objectivity and independence are safeguarded taking into consideration fees paid for non-audit services provided by the external auditor and affiliated parties.	

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.14	**Board Related Transactions Review Committee**	
9.14.1	Listed Entities shall have a Related Party Transactions Review Committee that conforms to the requirements set out in Rule 9.14 of these Rules.	Complied
9.14.2	Composition	
	(1) The Related Party Transactions Review Committee shall comprise of a minimum of three (03) Directors of the Listed Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Listed Entity. An Independent Director shall be appointed as the Chairperson of the Committee.	Complied
9.14.3	Functions of RPTC	
	(1) Listed Entities shall have a Related Party Transactions Review Committee which shall be responsible for reviewing the Related Party Transactions as set out herein.	Complied
	(2) The objective of these Rules on Related Party Transactions is to ensure that the interests of shareholders as a whole are taken into account by a Listed Entity when entering into Related Party Transactions. These Rules further provide specific measures to prevent Directors, CEOs or Substantial Shareholders taking advantage of their positions.	Complied
	(3) When applying these Rules on Related Party Transactions, the objective and the economic and commercial substance of the Related Party Transactions should take precedence over the legal form and technicality.	Complied
	(4) The Related Party Transactions Review Committee shall establish and maintain a clear policy, procedure and process in place for the identification, clarification and reporting the Related Party Transactions on an end-to-end basis across the Entity's operations.	Complied
9.14.4	General requirements	
	(1) The Related Party Transactions Review Committee shall meet at least once a calendar quarter. It shall ensure that the minutes of all meetings are properly documented and communicated to the Board of Directors.	Complied
	(2) The members of the Related Party Transactions Review Committee should ensure that they have, or have access to, enough knowledge or expertise to assess all aspects of proposed Related Party Transactions, and where necessary, should obtain appropriate professional and expert advice from an appropriately qualified person.	Complied
	(3) Where necessary, the Committee shall request the Board of Directors to approve the Related Party Transactions which are under review by the Committee. In such instances, the approval of the Board of Directors should be obtained prior to entering into the relevant Related Party Transaction.	Complied
	(4) If a Director of the Listed Entity has a material personal interest in a matter being considered at a Board Meeting to approve a Related Party Transaction as required in Rule 9.14.4(3), such Director shall not:	Complied
	(a) be present while the matter is being considered at the meeting; and,	
	(b) vote on the matter.	
9.14.5	Review of Related Party Transactions by the Related Party Transactions Review Committee	
	(1) Subject to the exemptions given in terms of Rule 9.14.10, the Related Party Transactions Review Committee shall review in advance all proposed Related Party Transactions.	Complied
	(2) In the event of any material changes to a previously reviewed Related Party Transaction in terms of Rule 9.14.5 (1) above, such proposed material changes shall also be reviewed by the Related Party Transactions Review Committee prior to the completion of the transaction.	Complied
	(3) The Related Party Transactions Review Committee shall be provided with all the facts and circumstances of the proposed Related Party Transaction by the senior management to facilitate the review of a Related Party Transaction and such information shall include what is provided under this section.	Complied
	(4) In determining whether to obtain the approval of the Board of Directors for a Related Party Transaction, the Related Party Transactions Review Committee shall take into account what is mentioned under the amended rule No. 9.14.5 (4)	If and when applicable

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
	(5) No Director shall participate in any discussion of a proposed Related Party Transaction in which he or she is a Related Party, except that the Director, at the request of the Committee, may participate in discussions for the express purpose of providing information concerning the Related Party Transaction to the Committee. Where deemed necessary considering the issues of potential conflict, which were presented to the Committee, the Committee may recommend the creation of a special committee to review and approve the proposed Related Party Transaction.	Complied
	(6) If a Related Party Transaction will be ongoing (a Recurrent Related Party Transaction), the Related Party Transactions Review Committee may establish guidelines for the senior management to follow in its ongoing dealings with the Related Party. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships with the Related Party to determine whether they are in compliance with the Committee's guidelines and that the Related Party Transaction remains appropriate.	Complied
9.14.6	Shareholder Approval (1) Listed Entities shall obtain shareholder approval by way of a Special Resolution for the following Related Party Transactions: (a) If a non-recurrent transaction; (b) If a recurrent transaction;	N/A
	(2) In relation to Rules 9.14.6 (1) (A) (i) (b) and 9.14.6 (1)(B) (ii) above, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.	N/A
	(3) If a transaction requires shareholder approval as set out in the Rules above, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.	N/A
9.14.7	Disclosures (1) Immediate disclosures (a) of any non-recurrent Related Party Transaction with a value exceeding 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements; or (b) of the latest transaction, if the aggregate value of all non-recurrent Related Party Transactions entered into with the same Related Party during the same financial year amounts to 10% of the Equity or 5% of the Total Assets whichever is lower, of the Entity as per the latest Audited Financial Statements.	N/A
9.14.8	Disclosures in the Annual Report	Complied
9.14.9 (1)-(4)	Acquisition and disposal of assets from/to related parties	Complied
9.14.10	Exempted Related Party Transactions (a) Subject to Rule 9.14.8 (2), transactions with Related Parties which are recurrent, of revenue or trading nature and which is necessary for day-to- day operations of a Listed Entity or its subsidiaries and, in the opinion of the Related Party Transactions Review Committee, terms are not favourable to the Related Party than those generally available to the public.	Complied
	(b) The payment of dividend, issue of Securities by the Listed Entity by way of a capitalization of reserves, the exercise of Rights, options or warrants (subject to Rules contained in Section 5 and 7 of these Rules), sub-division of shares or consolidation of shares.	
	(c) The grant of options, and the issue of Securities pursuant to the exercise of options, under an employee share option scheme/employees share purchase scheme (subject to Rule 5.6 of these Rules).	
	(d) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the Listed Entity at the time of the transaction.	
	(e) The provision or receipt of financial assistance or services, upon usual commercial terms and in the ordinary course of business, from a company whose activities are regulated by any written law relating to licensed banks, finance companies or insurance companies or are subject to supervision by the Central Bank of Sri Lanka or Insurance Board of Sri Lanka.	
	(f) Directors' fees and remuneration, and employment remuneration.	

Rule no:	Reference in the listing rules (Amendment)	Compliance level at PAP
9.17	**Additional disclosures**	Complied
	(i) They have declared all material interests in contracts involving in the Entity and whether they have refrained from voting on matters in which they were materially interested;	
	(ii) they have conducted a review of the internal controls covering financial, operational and compliance controls and risk management and have obtained reasonable assurance of their effectiveness and successful adherence therewith, and, if unable to make any of these declarations an explanation on why it is unable to do so;	
	(iii) they made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of changes particularly to Listing Rules and applicable capital market provisions;	
	(iv) disclosure of relevant areas of any material non-compliance with law or regulation and any fines, which are material, imposed by any government or regulatory authority in any jurisdiction where the Entity has operations.	

Disclosure required by the companies act no 7 of 2007

Section		Compliance status
168 (a) (i) – (ii)	Any change during the accounting period in the nature of the business of the Company or any of its subsidiaries or the classes of business in which the Company has an interest, whether as a shareholder of another company or otherwise	Annual Report of the Board of Directors on page 187
168 (b)	Group financial statements for the accounting period completed and signed in accordance with Section 152	Please refer page 194
168 (c)	Auditor's Report on the Group financial statements	Please refer page 195
168 (d)	Any change in accounting policies made during the accounting period	Annual Report of the Board of Directors on page 188
168 (e)	Particulars of entries in the interests register made during the accounting period	Annual Report of the Board of Directors on page 189
168 (f)	Remuneration and other benefits of directors during the accounting period	Annual Report of the Board of Directors on page 190
168 (g)	Total amount of donations made by the Company during the accounting period	Annual Report of the Board of Directors on page 188
168 (h)	Names of the persons holding office as Directors of the Company as at the end of the accounting period and the names of any persons who ceased to hold office as Directors of the Company during the accounting period	Annual Report of the Board of Directors on page 189 Group structure on page 14
168 (i)	Amounts payable by the Company to the person or firm holding office as auditor of the Company as audit fees and as a separate item, fees payable by the Company for other services provided	Annual Report of the Board of Directors on page 230
168 (j)	Particulars of any relationship (other than that of auditor) which the auditor has with or any interests which the auditor has in, the Company or any of its subsidiaries	Annual Report of the Board of Directors on page 191
168 (k)	Signed by two (02 Directors and the Company Secretary)	Annual Report of the Board of Directors on page 191

Report of the Board Audit and Risk Committee

GRI – 2-25



C Pietersz
Chairperson of the Board Audit and Risk Committee

Dear shareholders,

As the chairperson of the Board Audit and Risk Committee (BARC/Committee), on behalf of the other committee members, I am pleased to present to you the Board Audit and Risk Committee Report of Panasian Power PLC, for the year 2025/26.

As required by section 9.13.5 of the Listing Rules of the Colombo Stock Exchange and the Code of best practice on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka 2023 (CG Code 2023), this Report details the way the duties and responsibilities of the Committee were discharged, during the year under review.

Introduction and purpose:

(Section 9.13.1 of the Listing Rules)

The Committee assists the Board in discharging its responsibilities and exercises independent oversight over financial reporting, the adequacy of internal control systems, management and monitoring of risk, performance and effectiveness of internal audit, compliance with laws, regulations, and implementation of the whistle-blowing policy and. makes recommendations on the appointment of the external auditors.

Committee composition:

(Section 9.13.2 of the Listing Rules)

The Committee composition as at 31 March 2026 is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Ms C Pietersz	Independent Non-Executive	Chairperson	6 October 2022
Ms H Fernando	Non-Independent Non-Executive	Member	6 October 2022
Mr K Kamburadeniya	Independent Non-Executive	Member	6 October 2022
Ms N Ranatunga	Independent Non-Executive	Member	15 January 2025

The Committee comprises exclusively non-executive directors the majority of whom are independent.

Chairperson, Ms C Pietersz, is a fellow member of the Institute of Chartered Accountants of Sri Lanka.

There were no changes to the Committee composition during the year.

Terms of reference

(Section 9.13.2 of the Listing Rules)

The Committee has a Board approved terms of reference dealing with its authority and duties and carefully designed to discharge the Committee's purpose.

The terms of reference of the Committee was reviewed during the year as part of the periodic governance review process. The review aimed to ensure that the terms of reference remains relevant, comprehensive and aligned with evolving regulatory expectations and industry's best practices.

Meetings

In terms of the terms of reference of the Committee, the BARC is required to meet on a quarterly basis. However, the Committee meets more regularly as determined by the Chairperson of the Committee or as requested by any member of the Committee. The Committee met prior to the recommendation of the financials to the Board as required by 9.13.3(3) of the CSE Listing Rules.

The quorum for the meetings requires the majority of those in attendance to be independent directors.

The Committee held fourteen meetings during the year, including on a quarterly basis prior to recommending the financials to be released to the market.

The attendance of the members during the year was satisfactory and a summary of the attendance is as follows;

Name of Director	Committee status	Attendance*
Ms C Pietersz	Chairperson	13/14
Ms H Fernando	Member	14/14
Mr K Kamburadeniya	Member	10/14
Ms N Ranatunga	Member	13/14
Mr P Poddiwala (attended by invitation)	Chief Executive Officer	10/12

* (Attended/Eligible to attend)

The Chief Executive Officer, Finance Manager, other members of the Management and the internal and external auditors attended meetings by invitation.

Private sessions without the executive management

The Committee meets the internal auditors and External Auditors without the presence of the Management periodically to discuss any matters that the Committee or the internal auditors or External Auditors believe should be discussed separately.

The Committee holds private meetings with the Finance Manager on an annual basis and on a needs basis to discuss any matters pertaining to financial reporting and any other areas.

Secretary to the committee

Ms Roshini Weudagedara – Company Secretary functions as the Secretary to the Committee.

Reporting to the Board

The proceedings of the BARC meetings are regularly reported to the Board via the Committee Chair's report and minutes outlining proceedings, outcomes and recommendations.

Financial reporting

The Committee reviewed and discussed with the Management and the external auditors, the quarterly and annual financial statements, prior to their publication.

The Committee also discussed with the external auditors and the Management any matters communicated to the Committee by the external auditors in their reports on the audit for the year and monitored the progress made by the Management in resolving the issues raised by the auditors.

Declaration from the Chief Executive Officer and Finance Manager

(Section 9.13.5. (2).(c) of the Listing Rules)

The Committee obtained and reviewed the assurances received below in line with 9.13. 4 (1)(iv) of the Listing Rules.

a. Chief Executive Officer and the Finance Manager that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

b. Chief Executive Officer and other Key Management Personnel (KMPs) regarding the adequacy and the effectiveness of the Company's risk management and internal control systems.

Internal audit

(Section 9.13.5. (2).(e) and(f) of the Listing Rules)

At the direction of the Committee, the internal audit function has been outsourced to M/S. BDO Partners.

The scope of authority and responsibility of the internal audit function is documented in the Internal Audit Charter.

At the beginning of the year, the internal audit plan, based on an assessment of risk, is submitted to the Committee for their review and approval. The BARC then reviews the coverage of the audit plan, to ensure that the scope of the review on internal controls covers all significant operating procedures in the Company's business model.

The internal audit team carried out audits in accordance with the pre-approved audit plan and reported to the Committee, on a quarterly basis. Where appropriate, the Committee recommended of certain processes and amended the scope as required.

The Committee assessed the independence of the internal audit function to ensure that it continues to operate objectively and free from undue influence.

External audit

(Section 9.13.5. (2).(i) of the Listing Rules)

M/s Ernst & Young, Chartered Accountants (Ernst & Young) (approved by the SEC), served as the Group's External Auditors for the four financial years up to 31 March 2026. During their tenure, there was a change in the audit engagement partner.

The Committee received a declaration from Ernst & Young, confirming that having exercised their professional judgment and that they are not aware of any relationship or interest in the Group that can reasonably be thought as having a bearing on their independence within the meaning of the Code of Conduct and Ethics of the Institute of Chartered Accountants of Sri Lanka.

In line with the policy on the engagement of external auditors to provide non-audit services, the Finance Manager is required to table and obtain approval for details of any such services obtained during the year. The Committee was satisfied that the independence and objectivity of Ernst & Young had not been impaired during their period of engagement.

Having considered the engagement letter, the Committee approved and recommended to the Board the audit fees for the current engagement 2025/26.

As part of the Company's commitment to maintaining high standards of corporate governance, auditor independence and effective oversight, the Board Audit and Risk Committee periodically reviews the external audit arrangements of the Company and the Group. Following a comprehensive review e, the Board Audit and Risk Committee recommended the appointment of Messrs. KPMG as External Auditors of the Company.

Risk management and internal controls

The Committee is entrusted with overseeing the Company's risk management function, thereby ensuring dedicated and integrated governance without the need for a separate committee.

The Committee assesses the adequacy and effectiveness of the Company's internal controls and risk assessment. A risk-based audit approach was adopted in planning the internal audit to identify the effectiveness of the internal control procedures in place and significant risks were reviewed by the Committee. The Committee assessed the effectiveness of the Company's internal controls by reviewing the reports submitted by the internal audit and the external auditors' Management Letter.

The Committee reviewed the risk management framework, practices and key risk indicators as well as the defined roles and responsibilities. The Committee reviewed the processes in place for identification, measuring, controlling, monitoring of significant risks. The Committee also considered climate-related risks and opportunities presented by Management during the year as part of its oversight responsibilities. The Company and subsidiaries have identified and documented key risks to the business and related mitigating controls.

Please refer the 178 on pages 185 for more details.

Compliance

The Committee exercised diligent oversight over compliance matters. This included reviewing reports from the Management to assess the effectiveness of compliance monitoring systems

Additionally, it carefully examined findings from regulatory examinations and auditor observations. The Committee oversaw the communication of the Code of Conduct to employees and monitored their compliance.

The Committee oversees the processes established to ensure compliance with applicable non-financial laws, regulations and reporting requirements which may have a bearing on the reported results of the Company.

Whistle-blowing

The Company's whistleblowing policy continued to be implemented and is intended to serve as a communication channel introduced as an integral part of corporate fraud risk management.

The Committee revisited the current arrangements in place for communicating the whistleblowing policy to employees and was satisfied.

Professional advice and access to management

The Committee is empowered by the Board to obtain, at the Company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

Evaluation of the committee

The Committee conducted a performance assessment to evaluate its effectiveness.

Conclusion

(Section 9.13.5. (2).(d) of the Listing Rules)

The Committee is satisfied that internal controls and procedures in place for assessing and managing risks are adequately designed and operate effectively and is of the view that they provide reasonable assurance that the Company's assets are safeguarded and that the financial statements of the Company are reliable.

The Company's external auditors and internal auditors have been effective and independent throughout the year.

The Committee confirms compliance with Sri Lanka Accounting Standards (LKAS/SLFRS) issued by CA Sri Lanka, the Listing Rules, CA 2007, SEC Act and any other relevant regulations governing financial reporting.

On behalf of the Board Audit and Risk Committee



C Pietersz
Chairperson of the Board Audit and Risk Committee

4 June 2026
Colombo

Report of the Board Human Resource and Remuneration Committee



K Kamburadeniya
Chairman of the Board HR and Remuneration committee

Dear shareholders,

As the Chairman of the Board Human Resource and Remuneration Committee, on behalf of the other committee members, I am pleased to present to you the Board Human Resource and Remuneration Committee Report of Panasian Power PLC, for the year 2025/26.

As required by section 9.12.8 of the Listing Rules of the Colombo Stock Exchange, this Report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.

Introduction and purpose:

(Section 9.12.2 of the Listing Rules)

The purpose of the Board Human Resource and Remuneration Committee (BHRC/Committee) is to assist the Board of Directors in fulfilling their oversight responsibility to establish and maintain a formal and transparent procedure for developing remuneration policies for Directors including Executive Directors and employees.

The scope of the Committee has expanded beyond its original remuneration-focused mandate to encompass broader human resource oversight responsibilities. This enhancement reflects the Company's commitment to fostering a supportive and effective workplace through greater focus on employee well-being, talent development, succession planning and overall organizational effectiveness.

Committee composition:

(Section 9.12.8 (a) of the Listing Rules)

The Committee composition as at 31 March 2026 is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Mr K Kamburadeniya	Independent Non-Executive	Chairman	11 August 2021
Mr L Silva	Independent Non-Executive	Member	6 October 2022
Mr D Sooriyaarachchi	Non Independent Non-Executive	Member	11 August 2021
Ms H Fernando	Non Independent Non-Executive	Member	11 August 2021
Ms N Ranatunga	Independent Non-Executive	Member	15 January 2025

The Committee composition comprises exclusively of non-executive directors and three members are independent. The composition does not include executive directors.

Chairman, Mr K Kamburadeniya is an independent non-executive director.

There were no changes to the Committee composition during the year.

Terms of reference

The Committee has a Board approved written terms of reference dealing with its authority and duties and carefully designed to discharge the Committee's purpose.

The terms of reference of the Committee was reviewed during the year as part of the periodic governance review process.

The review aimed to ensure that the terms of reference remains relevant, comprehensive and aligned with evolving regulatory expectations and industry's best practices.

Meetings

In terms of the terms of reference of the Committee, the Committee meets at least once a year and at such other times as the Chair or members of the Committee may require.

The Chief Executive Officer attends meetings by invitation.

The Committee held six meetings during the year,

Name of Director	Committee status	Attendance *
Mr K Kamburadeniya	Chairman	5/6
Mr L Silva	Member	5/6
Mr D Sooriyaarachchi	Member	6/6
Ms H Fernando	Member	6/6
Ms N Ranatunga	Member	6/6
Mr P Poddiwala (attended by invitation)	Chief Executive Officer	6/6

* (Attended/Eligible to attend)

Secretary to the committee

Ms Roshini Weudagedara – Company Secretary functions as the Secretary to the Committee.

Reporting to the Board

The proceedings of the BHRC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

The minutes of BHRC meetings are also tabled at successive Board meetings, for informational purposes.

Remuneration policy

(Section 9.12.8 (b) of the Listing Rules)

The remuneration policy of the Company is driven by two principles:

a. To reward in a manner that ensures that both employees and directors are properly incentivized and motivated to perform in the best interests of the Company in the long term;
b. To provide the level of remuneration required to attract and retain personnel of sufficient calibre;

Accordingly, the remuneration is designed in such a way to ensure fair remuneration to all members of the staff and the remuneration is linked to the achievement of individual objectives which are aligned to the short – term and long term objectives of the Company.

The remuneration of the non-executive directors is fixed considering factors including market benchmarks to ascertain prevailing industry standards, the directors' responsibilities within the Company, the time commitment required for board duties and the Company's financial performance and sustainability.

The proposals relating to remuneration are arrived at, in consultation with the Chairman and the Chief Executive Officer, if it is deemed necessary. No Director is involved in deciding his own remuneration. The policy on remuneration provides a framework and outline principles for determining the remuneration for both employees and non-executive directors.

Performance evaluation of the chief executive officer

In line with its oversight responsibilities, the Committee conducted a bi-annual assessment of the Chief Executive Officer's performance against pre-defined Key Performance Indicators (KPIs).

The evaluation focused on strategic, operational, and leadership outcomes and the results were reported to the Board of Directors to support accountability and continuous performance improvement.

Directors' emoluments

(Section 9.12.8 (c) of the Listing Rules)

The Directors' emoluments are disclosed in Note 11 to the Financial Statements.

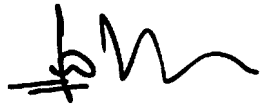
Professional advice

The Committee is authorised by the Board to obtain, at the Company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

Evaluation of the committee

The Committee carried out a self-evaluation. The Board was satisfied with the Committee's performance during the period and that its remit and scope were sufficient.

On behalf of the Board Human Resource and Remuneration Committee,



K Kamburadeniya
Chairman of the Board Human Resource and Remuneration Committee

4 June 2026

Colombo

Report of the Board Related Party Transactions Review Committee



N Ranatunga
Chairperson of the Board Related Party Transactions Review Committee

Dear shareholders,

As the Chairperson of the Board Related Party Transactions Review Committee, on behalf of the other Committee members, I am pleased to present to you the Board Related Party Transactions Review Committee Report of Panasian Power PLC, for the year 2025/26.

As required by section 9.14.8 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka 2023 (CG Code 2023), this Report details the manner in which the duties and responsibilities of the Committee were discharged, during the year under review.

Introduction and purpose

The purpose of the Board Related Party Transactions Review Committee (BRPTRC/Committee) is to provide assistance to the Board of Directors in fulfilling their oversight responsibility for the following:

- Evaluate and consider transactions with related parties (other than those exempted) of the Company as defined by Section 9 of the Listing Rules of the Colombo Stock Exchange before they are undertaken, in order to ensure that related parties are treated on par with other shareholders and other stakeholders of the Company.
- Ensure that necessary processes are in place to identify, approve, disclose and monitor related party transactions according to the provisions contained in the Board approved Manual for related party transactions pertaining to the Company.

Committee composition

(Section 9.14.8 (3) of the Listing Rules)

Name	Nature of Directorship	Committee status	Date of appointment
Ms N Ranatunga	Independent – Non-Executive Director	Chairperson	15 January 2025
Mr L Silva	Independent – Non-Executive Director	Member	28 June 2022
Mr D Sooriyaarachchi	Non-Independent – Non-Executive Director	Member	28 June 2022
Ms H Fernando	Non-Independent – Non-Executive Director	Member	28 June 2022
Ms C Pietersz	Independent – Non-Executive Director	Member	1 October 2023

* (Attended/Eligible to attend)

The Committee composition comprises exclusively of non-executive directors and three members are independent.

Chairperson, Ms N Ranatunga is an independent non-executive director.

Terms of reference

The Committee has a Board approved written terms of reference dealing with its authority and duties and carefully designed to discharge the Committee's purpose.

The terms of reference of the Committee was reviewed during the year as part of the periodic governance review process.

Meetings

In terms of the terms of reference of the Committee, the BRPTRC meets on a quarterly basis.

The chief executive officer and the Finance Manager attends meetings by invitation.

The Committee convened six meetings during the period under consideration.

Name	Committee status	Attendance*
Ms N Ranatunga	Chairperson	6/6
Mr L Silva	Member	5/6
Mr Sooriyaarachchi	Member	5/6
Ms H Fernando	Member	6/6
Ms C Pietersz	Member	5/6
Mr P Poddiwala (attended by invitation)	Chief Executive Officer	6/6

Secretary to the committee

Ms Roshini Weudagedara – Company Secretary functions as the Secretary to the Committee.

Reporting to the Board

(Section 9.14.8 (3) of the Listing Rules)

The proceedings of the BRPTRC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

Where necessary, the Committee requests the Board of Directors to approve the related party transactions under review and in such instances, the Board approval is obtained prior to entering into such transaction.

The minutes of BRPTRC meetings are also tabled at successive Board meetings, for informational purposes.

Policies and procedures

(Section 9.14.8 (3) of the Listing Rules)

A Board approved Procedure Manual on Related Party Transactions is in place with the objective to establish a frame work for the Company for identification of related parties and their transactions.

Identification of RPs

Related parties are identified in accordance with the criteria set out in the Sri Lanka Accounting Standards (LKAS 24) as well as the Listing Rules.

In terms of the Manual, the Finance Manager, is entrusted with the responsibility to identify and update the list of related parties, as and when an event occurs.

The Company adopts a disclosure based approach in identifying related parties.

Reporting and reviewing related party transactions

The Company has set up a process which enables the Company to generate data on related party transactions, throughout the Company's ERP system.

All related party transactions (other than those exempted) are submitted to the Committee prior to entering into the transaction.

All recurrent related party transactions are submitted to the Committee on a quarterly basis for review. The Committee has established guidelines to follow, when reviewing these recurrent related party transactions.

The Committee when reviewing related party transactions looks at the objective, economic and commercial substance over legal form and technicality.

The Company Secretary will make the necessary market disclosures in respect of transactions with identified related parties that trigger shareholder or Board approval, as well as those requiring immediate disclosure.

Professional advice and access to management

The Committee ensured that it had access to sufficient knowledge and expertise to assess all aspects of the transaction. To this extent, the Committee is empowered to obtain, at the Company's expense, any outside legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary for the fulfilment of its duties.

Conflict of interest

If a member has a personal material interest in a matter being considered or a related party transaction involves directly or indirectly one of the members of this Committee, the conflicted member informed the Committee immediately and excused himself at the meeting. Such member was not present while the matter was being considered at the meeting, unless for the express purpose of providing information to the Committee at the request of the other members and abstained from voting on the matter.

Performance evaluation

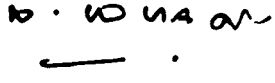
The Committee carried out a self-evaluation. The Board was satisfied with the Committee's performance during truncated period and that its remit and scope were sufficient.

Declaration

(Section 9.14.8 (4) of the Listing Rules)
Other than those exempted, all transactions with related parties entered into during the year 2025/26, were reviewed by the Committee and the observations were duly communicated to the Board. For this purpose all relevant facts and circumstances of the proposed transactions were provided to the Committee by the Senior Management.

During the year under review, the Company has complied with the related party transactions rules set out in Section 9 of the Listing rules. An affirmative statement of compliance with the rules pertaining to related party transactions by the Board of Directors is included on page 271 of this Annual Report.

On behalf of the Board Related party Transactions Review Committee,



N Ranatunga
Chairperson of the Board Related party Transactions Review Committee

4 June 2026

Colombo

Report of the Board Nominations and Governance Committee



K Kamburadeniya

Chairman of the Board Nominations and Governance Committee

Dear shareholders,

As the Chairman of the Board Nominations and Governance Committee I am pleased to present to you the Board Nominations and Governance Committee Report of Panasian Power PLC, for the year 2025/26.

As required by section 9.11.6 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practice on corporate governance issued by the Institute of Chartered Accountants of Sri Lanka 2023 (CG Code 2023), this Report details the manner in which the duties and responsibilities of the Committee were discharged during the year under review.

Introduction and purpose

The Board Nominations and Governance Committee (the Committee or BNGC) is delegated by the Board inter-alia with the authority to review the Board's composition and to formulate and implement a transparent process of Board recruitment, make recommendations to the Board on the appointment and re-election of directors and appointment of members to Board sub-committees and assess the independence of directors.

The BNGC is also responsible for succession planning for directors and senior executives and the oversight of matters relating to corporate governance.

Committee composition:

(Section 9.11.4/ 9.11.6.(a), (b) of the Listing Rules)

The Committee composition as at 31 March 2026 is as follows:

Name	Nature of Directorship	Committee status	Date of appointment
Mr K Kamburadeniya	Independent – Non-Executive	Chairman	1 October 2023
Mr L Silva	Independent – Non-Executive	Member	1 October 2023
Mr D Sooriyaarachchi	Non-Independent – Non-Executive	Member	1 October 2023
Ms H Fernando	Non Independent – Non Executive	Member	1 October 2023
Ms C Pietersz	Independent – Non-Executive	Member	1 October 2023

The Committee comprises exclusively of non-executive directors, out of whom three are independent directors. The composition does not include executive directors.

The Chairman, Mr K Kamburadeniya is an independent non-executive director.

Terms of Reference (TOR)

(Section 9.11.3 of the Listing Rules)

The Committee has a Board approved written terms of reference that clearly defines its scope, authority, duties and, quorum for meetings carefully designed to discharge the Committee's purpose.

The terms of reference of the Committee was reviewed during the year as part of the periodic governance review process. The review aimed to ensure that the terms of reference remains relevant, comprehensive and aligned with evolving regulatory expectations and industry best practices.

Meetings

In terms of the committee's terms of reference of the Committee, the Committee is required to meet at least twice a year and at such other times as the Chair or members of the Committee may require.

The Committee convened six meetings during the period under consideration. Although the terms of reference stipulate that the Committee shall meet at least twice annually, the Committee convened quarterly during the year to review and consider matters relating to compliance with the Listing Rules on Corporate Governance.

Name of Director	Committee status	Attendance *
Mr K Kamburadeniya	Chairman	4/6
Mr L Silva	Member	6/6
Mr D Sooriyaarachchi	Member	4/6
Ms H Fernando	Member	6/6
Ms C Pietersz	Member	5/6
Mr P Poddiwala (attended by invitation)	Chief Executive Officer	5/6

* (Attended/Eligible to attend)

Reporting to the Board

The proceedings of the BNGC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

The minutes of BNGC meetings are also tabled at successive Board meetings, for informational purposes.

Secretary to the Committee

Ms Roshini Weudagedara – Company Secretary functions as the Secretary to the Committee.

Board Diversity

(Section 9.11.6 (e) of the Listing Rules)

The BNGC assessed the Board composition against the pre-defined criteria for skill and knowledge requirements to ascertain whether the collective knowledge and experience of the Board match the strategic, governance and business demands of the Company. The assessment of the Board composition comprehensively addresses aspects of diversity and inclusion, including age, tenure, gender, expertise and independence, ensuring a balanced and effective board composition.

The Committee is satisfied that the Board continues to be of adequate size and composition to suit the current scale of its operations and has an appropriate balance of skills, knowledge, experience and diversity to enable it to effectively discharge its duties. The Committee has time-effectively focused on Board refreshment giving due consideration to vacancies arising and Board effectiveness assessments. Accordingly, based on the recommendation of the Committee, the Board approved the appointments of Mr I Perera and Mr N Weerasinghe as directors of the Company.

As a Committee, we are confident the current Board's skill set also ensures the ability to oversee management and contribute to the development of strategy. The Committee considers maintaining at least gender-parity as significant to its long-term diversity perspective.

Policies and processes for Board appointments/re-elections/re-appointments

(Section 9.11.6 (c), (d), (f) of the Listing Rules)

The Committee has a formal documented policy in place where all appointments, re-elections/re-appointments are assessed against pre-defined criteria for suitability.

In appointing directors, the Committee considers whether candidates bring complementary skills and experience aligned with the Board's needs. Key factors include sound business judgment, a strong track record in governance, the ability to provide effective oversight and a demonstrated commitment to fulfilling Board duties. Moreover, those proposed as Independent Non-Executive Directors must meet the independence requirements under the Listing Rules.

In considering a Director for re-election, the Board evaluates their ongoing time commitment, attendance, and active participation in meetings. The Director's skills, knowledge, and expertise are assessed against the Board's skills matrix and the strategic needs of the Group. For Independent Directors, any factors affecting independence or objectivity are reviewed. The Director's overall contribution, including alignment with the Company's strategic goals and impact on its growth and stability, is also taken into account.

The findings of the Board composition related assessment are taken into account in case of new board appointments and when incumbent directors come up for re-election/ re-appointment.

In terms of the articles of association, a one third (1/3) of the directors (other than executive directors) who have been longest in office are required to retire by rotation.

According to the assessment, the Committee recommended the following directors for election/re-election at the AGM.

(Section 9.11.6(g) of the Listing Rules)

Name of Director	Role in Board sub-committee	First date of appointment	Last re-appointment date	Details of directorships/ Chairmanships and other principle commitments present and held over the past 3 years in other listed entities	Any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders holding more than ten per-centum (10%) of the shares of the Listed Entity
Mr L Silva	BHRC – Member BRPTRC – Member BNGC – Member	01 March 2022	28 June 2022	Please refer page 148 for details of current directorships	Nil
Mr I Perera	Nil	05 August 2025	N/A	Please refer page 147	Mr I Perera serves as the CFO of R I L Property PLC, who is the Company's immediate parent and the majority shareholder.
Mr N Weerasinghe	Nil	15 September 2025	N/A	Please refer page 147	Nil

Determinations on director independence

An independent Board has the benefit of providing objective judgement and constructive challenge to the viewpoints presented by management. Non-executive directors' independence is assessed upon appointment, annually and if at any other time circumstances warrant reconsideration.

Over the year, the Committee made recommendations to the Board as to determinations of director independence including in case of new appointments.

Additionally, the Committee offered insights when necessary regarding the potential impact of proposed related party transactions on a director's independence.

Please refer page 145 for the details of independent directors as at 31 March 2026.

Fitness and propriety

The Committee reviewed the annual declarations submitted by the Directors and assessed their fitness and propriety in line with the applicable regulatory and governance requirements, to ensure that the Board continued to comprise individuals with the necessary integrity, competence and experience to effectively discharge their responsibilities.

External appointments

The Board has a written policy as regards the maximum number of other appointments that directors should hold. Before recommending new appointments to the Board, the Committee considers other demands on candidates' time. Once appointed any proposed additional external appointments are also reviewed by the Committee to ensure that the additional demands are within the threshold imposed.

Considering reviewed and updated directors' interests, the Committee is satisfied that each director has sufficient time to discharge their duties, taking into consideration their external appointments and commitments.

Performance evaluation

(Section 9.11.6. (h) of the Listing Rules)

The Committee guided the design and conduct of the annual reviews of the Board, sub-committees and governance professionals including the Company Secretary, for effectiveness and performance. The Committee also made recommendations to the Board, where appropriate, to further enhance their effectiveness and ensured that a process was in place for the Board to undertake an annual evaluation of its own performance.

The Committee carried out a self-evaluation. The Board was satisfied with the Committee's performance during the truncated period and that its remit and scope were sufficient.

The BNGC established that a suitable process encompassing expectation setting, guidance and assessment is maintained for periodic evaluation of the performance of the CEO. For year 2025/26 this evaluation was conducted by the Board Human Resource and Remuneration Committee as delegated by the Board.

Board induction and training

(Section 9.11.6. (j) of the Listing Rules)

Induction programs encompass both institutional document-packs and one-on-one interactions. The orientation has been designed to supplement existing practices whereby a continuing understanding of the business is developed through appropriate business engagements for non-executive directors such as interactions with employees, site visits and corporate events worked into the annual cycle of Board meetings. The Committee oversaw that induction programs have been conducted for the new appointees to the Board during the year, including on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations.

The senior executives of the Company and subsidiaries are invited, as appropriate, to Board meetings to make presentations on their areas of responsibility. Internal senior leaders and external specialists may also impart their knowledge to the Board through presentations, roundtable discussions and other sessions.

The Board was also provided regular briefings to ensure that directors are kept up to date on relevant legal and governance developments or changes, best practice developments and changing commercial and other risks.

Process to inform independent directors of major issues relating to the Company

(Section 9.11.6. (i) of the Listing Rules)

To uphold corporate governance best practices, it's essential to keep independent directors informed of major issues within the Company. This involves regular updates through Board meetings and timely communication of urgent matters between meetings. Directors also receive detailed reports and relevant documentation and have direct access to the management for clarification or additional information as needed.

Corporate governance

The Committee reviewed and recommended the Company's overall corporate governance framework and related processes, taking into account the Listing Rules of the Colombo Stock Exchange, other applicable regulatory requirements and industry best practices.

The Committee also received reports from management regarding compliance with the corporate governance framework, including adherence to the Listing Rules and other relevant laws.

Succession planning

The Committee meticulously oversaw the succession planning process for Key Management Personnel (KMPs), actively developing strategies and identifying training and development needs for the individuals earmarked for succession.

Declaration

(Section 9.11.6. (k), (l) and (m) of the Listing Rules)

During the year,

1. An annual update on Corporate Governance, Listing Rules, securities market regulation and other applicable laws has been provided to the Directors;
2. The Directors have met the criteria for independence as outlined in the Listing Rules of the Colombo Stock Exchange;
3. Compliance with the Listing Rules on Corporate Governance Rules has been ensured.

On behalf of the Board Nominations and Governance Committee



K Kamburadeniya

Chairman of the Board Nominations and Governance Committee

4 June 2026

Colombo

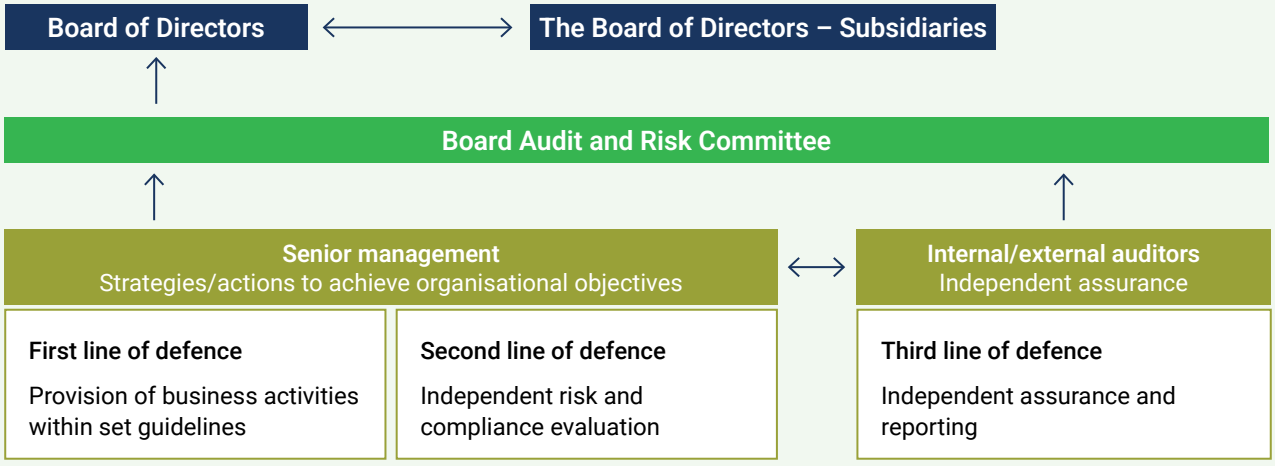
Risk Management Report

Proactive approach to risk management

Panasian Power PLC continues to place strong emphasis on the development and enhancement of a robust, integrated risk management framework, which is aligned with global best practices and applicable regulatory requirements. The Company adopts a proactive approach to risk management, supported by structured methodologies and modern risk assessment tools designed to identify, evaluate, monitor, and mitigate risks across the short, medium and long-term horizons. The identified risks, with their mitigation plans, are communicated to the relevant parties after the structured evaluation.

The risk management framework is embedded across all business units and is continuously strengthened through improvements in policies, procedures, internal controls, and organisational structures. This ensures that the Company remains resilient, compliant, and well-positioned to respond effectively to changes in the business, regulatory, and operational environments.

Risk governance is implemented through the Three Lines of Defence Model, ensuring clear accountability, independent oversight, and effective risk control across the Organisation.



Three lines of defence framework

First Line	Second Line	Third Line
Operational responsibility	**Risk management and compliance function**	**Independent assurance**
The First Line of Defence comprises all operational units responsible for executing the Company's core business activities. Department heads and unit managers are responsible for ensuring that all operational functions are conducted in accordance with approved policies, procedures, and regulatory requirements. This Line is primarily responsible for day-to-day risk identification, assessment, and mitigation as an integrated part of business operations. Risk management is fully embedded within operational processes to ensure that appropriate controls are applied at the point where risks arise.	The Second Line of Defence involves the independent risk management and compliance functions, which provide oversight, guidance, and monitoring across all operational activities. This function is responsible for establishing the risk management framework, defining risk policies, monitoring risk exposures, and ensuring compliance with internal and external requirements. It also provides consolidated reporting on the overall risk profile and supports the development of a strong risk-aware organisational culture.	The Third Line of Defence consists of the internal audit and external audit functions, which operate independently from management and operational activities. These functions provide objective assurance regarding the adequacy and effectiveness of internal controls, governance systems, and risk management processes. The internal audit division reports directly to the Board Audit and Risk Subcommittee, ensuring independent oversight of control effectiveness. External Auditors further enhance assurance by independently evaluating the accuracy of financial reporting and compliance with applicable standards and regulations.

The risk management process

Risk Identification

1

The risk management process begins with identifying the existing and potential risks that may arise due to changes in the internal and external business environment. The risks recognised at this stage may affect the current operational performance as well as the strategic objectives of the Organisation. The Organisation promotes a strong risk-aware culture where employees at all levels participate in the risk identification process. In addition, the Board of Directors and its appointed subcommittees are responsible for identifying strategic risks and evaluating their influence on the Organisation's overall risk profile.

Risk assessment

2

Risks identified within the Organisation are grouped into broad risk categories for the purpose of assessment. The evaluation of these risks is carried out by the designated Risk Owners using the internally developed Risk Model. Scores are assigned by considering both the level of impact and the likelihood of occurrence. The risk profile is then presented in a matrix format to determine the overall level of risk that each risk category may impose on the business operations of the entity.

Risk mitigation

3

The treatment of identified risks is carried out at this stage. Developing risk mitigation strategies is a collaborative effort that results in accepting, transferring, reducing, or avoiding the assessed risks. Risk categories with high-risk profiles are given priority over those with lower risk profiles. At this stage, new risk control mechanisms are introduced, existing controls are reviewed and strengthened, new policies are implemented, and business continuity as well as disaster recovery plans are updated.

Monitoring and control

4

Close collaboration is maintained between the business units and the risk and compliance teams to effectively monitor and manage risks. Periodic visits to power generating units together with training programmes are conducted to enhance the overall risk culture of the Organisation. Risk assessment and mitigation plans are prepared on 30 September and 31 March each year to ensure the effective monitoring and control of risks.

Reporting

5

Risk assessment plans, once validated, are submitted to the Senior Management, the BARC, and the Board of Directors for their review and information..

Risk management structure

The Company has established a structured risk governance framework to ensure effective oversight, accountability, and escalation of risk-related matters across all levels of the Organisation.

Dedicated committees at both Board and Management levels oversee risk management activities, ensuring that material risks are appropriately identified, assessed, reviewed, escalated, and managed in a timely manner. This structure facilitates informed decision-making and ensures that risk considerations are fully integrated into the strategic and operational planning processes.



Risk appetite

The risk appetite levels are in alignment with the Board-approved strategic business plan and long-term organisational objectives. They define the nature and level of risk that the business is willing to accept in pursuit of its strategic goals.

Any deviation beyond approved risk thresholds or tolerance levels requires formal review and explicit approval by the Board of Directors. This ensures disciplined risk-taking and alignment with shareholder expectations and long-term sustainability objectives.

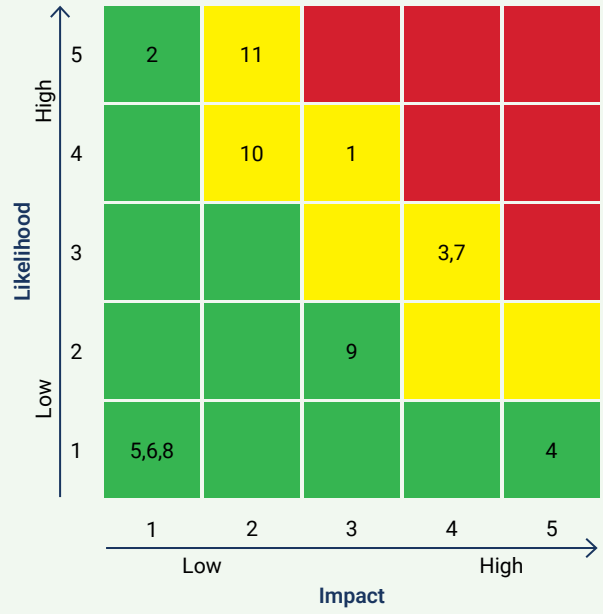
Key risk categories and risk heat map

The Company is exposed to a range of financial and non-financial risks arising from its operational, strategic, regulatory, and external environments. These include, but are not limited to, market risk, operational risk, credit risk, regulatory risk, and other emerging risk factors.

All identified risks are systematically assessed based on their likelihood and potential impact on the business. These assessments are consolidated into a risk heat map, which provides a visual representation of risk severity and prioritisation.

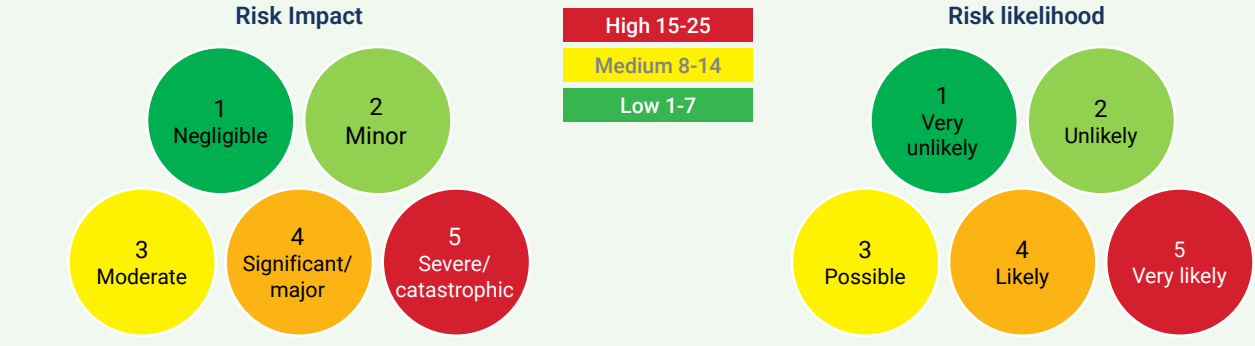
The heat map enables the Board and Management to clearly identify high-priority risks and allocate appropriate resources towards mitigation strategies, thereby strengthening the overall risk responsiveness and strategic resilience of the Company.

Risk heat map – Panasian Power PLC



01.	Operational risk
02.	Project implementation risk
03.	Credit risk
04.	Contingent liability risk
05.	Interest rate risk
06.	Exchange rate risk
07.	Human resources risk
08	Reputational risk
09.	Legal and regulatory compliance risk
10.	Social, environmental, and climate change risk
11	Information security risk

Risk Profile



No.	Risk Category	Consequences	Risk Mitigation Approach	Risk Impact Level	Risk Likelihood	Risk Profile
1	Operational Risk (Manufacturing Capital)	• Machinery downtime due to technical faults/ Shortage of spare parts at sites • Loss of energy supply to the CEB due to power line disruptions. • Labour shortage, safety issues • Government regulatory changes/ Limitations in the grid • Social unrest • Technological obsolescence • Compliance issues with the Government Agencies • Natural disasters • Cash flow difficulties due to curtailment of power/ delay in receipt of payments	• The best suited technically superior machinery is selected at the time of installation and proper maintenance procedures are followed during the operations. These will minimise the machine downtime at sites. Additionally, frequently used spare parts stocks are maintained at sites and other spares are maintained centrally to minimise the machinery downtime. A close relationship is maintained with the spare parts suppliers both locally and internationally. • A close relationship is maintained with the CEB/ Electricity Distribution Lanka (Pvt) Ltd. (EDL) officials in the locality to inform any disruption to the supply line and to get the line up and connect with the grid within a reasonable time to continue the supply of generated power. • Mini hydro sites are provided with necessary resources to operate on a 24-hour basis. However, solar sites are manned mainly in the daytime to support generation and the urgent maintenance work. The health and safety officer of the Company visits sites scattered across the country to ensure the health and safety aspects of the employees. The HR Department of the Company also maintains a close relationship with the staff in remote places to ensure the well-being of the employees. • The imbalance reported in the national grid, especially in the daytime of the low consumption days, is a concern to all solar generating plant owners. The Company is closely monitoring the developments in the industry and takes part in forums to make representations to the regulators. Also, to address curtailment loss recovery payments, the Company works closely with CEB/EDL and PUCSL officials. • A close rapport is maintained with the local authorities and the pressure groups in the locality to manage any kind of unrest that may arise due to any negative impact on society or the environment. • Technical obsolescence is inevitable in the fast-developing space. The critical spare parts stocks are maintained and at the same time, a close relationship is maintained with the suppliers locally and internationally. • A dedicated compliance team ensures that all operations, documentation, and reporting are in alignment with current government regulations and industry standards. Regular audits and compliance reviews are conducted to identify potential non-conformities early. The Company also maintains continuous engagement with relevant government agencies to stay updated on regulatory changes and ensure timely implementation of required actions. • It is not possible to plan for natural disasters. However, precautionary measures are taken wherever possible to mitigate the damage from natural disasters. A business continuity plan and a disaster recovery plan have been in place to mitigate this risk.	3	4	12

No.	Risk Category	Consequences	Risk Mitigation Approach	Risk Impact Level	Risk Likelihood	Risk Profile
2	Project Implementation Risk (Manufacturing Capital)	• Delayed project timelines, lead to penalties, change in agreed terms or even termination of contracts. • Increased costs due to time overruns etc may lead to budgetary constraints and conflicts with subcontractors. • Potential loss of stakeholder confidence, impacting future partnerships and investments. • Restructuring of financial facilities to fall in line with the revised cash flows. • Enforcement of guarantees/ securities.	• Conducting regular progress reviews to identify and address bottlenecks early. • Use fast tracking and crashing techniques to effectively catch-up delayed activities. • Set clear guidelines and milestones for contractors and ensure effective collaboration through periodic meetings. • Ensure supply chains and logistics are well coordinated with the project activities to avoid downtime. • Regulatory compliance through proactive audits and readiness assessments. • Keep a tab on expenses and always compare with the budgets and use earned value management to analyse the project performance and progress. • Report the progress of the project to all the stakeholders to improve transparency and actively engaged the cross functional teams to avoid siloed operations. • Develop robust and a detailed project schedule, linking resources using tools like *Primavera* P6 or MS Project for efficient tracking and allocation of funds to improve clarity and transparency. • Seek legal advice whenever necessary to protect the interest of the developer.	1	5	5
3	Credit Risk (Financial Capital)	• Possible working capital issues/ financial distress • Disruption to operation • Inability to service bank debts • Reduction of net profit of the Company	• Maintain a healthy relationship with CEB/EDL • Recover delay interest charges as per PPA • Maintain three months debt service reserve with each bank. • Closely follow up the market dynamics.	4	3	12
4	Contingent Liability Risk (Financial Capital)	• Adverse impact on company profitability and cash flow in case there are claims on corporate guarantees and/or bank guarantees • Reputational damage • Legal implications due to guarantee claims • Adverse impact on future projects and partnerships	• All contracts are executed after obtaining legal clearance. • Maintain sufficient bank facilities to accommodate performance bond requirement/guarantee extensions/enhancements. • Negotiate facilities with banks after careful evaluation of funding requirements. • Obtaining proper internal approvals. • Strict security measures are implemented to protect the machinery and equipment imported with the issuance of the custom guarantees.	5	1	5

No.	Risk Category	Consequences	Risk Mitigation Approach	Risk Impact Level	Risk Likelihood	Risk Profile
5	Interest Rate Risk (Financial Capital)	• Adverse variance in interest rates leads to an increase in borrowing costs thereby impacting on the profitability of the business. • The increase in financing costs will result in higher cash outflows. • Fluctuating interest rates may result in projects being less economically attractive and viable. • If a company is unable to secure favourable financing terms, some projects may not be initiated or might be delayed, which could harm the Company's growth prospects.	• Long-term lending to capital expenditure to be negotiated at fixed rates or variable rates with a cap. • Negotiate a mix of variable and fixed term lending. • Dealing with multiple banks. • Facilities to be negotiated without the Liquidated Damages clause. • Negotiate non-debt funding options (e.g. green bonds, government grants, or equity financing) to reduce reliance on debt for financing projects.	1	1	1
6	Exchange Rate Risk (Financial Capital)	• The new project development mainly relies on equipment and technology from foreign suppliers (e.g. solar panels, batteries). Fluctuations in currency values can make these imports more expensive. • Company profitability can be reduced due to significant exchange loss. • Import equipment may become costly compared to market rates due to adverse variance in exchange rate.	• All import LCs with sight and usance terms are established with forward bookings.	1	1	1

No.	Risk Category	Consequences	Risk Mitigation Approach	Risk Impact Level	Risk Likelihood	Risk Profile
7	Human Resource Risk (Human Capital)	• Loss of Institutional Knowledge and Expertise • Reduced Employee Morale and Engagement • Decreased Productivity • Increased Workload on Remaining Staff • Reputational Impact	• Improve retention programmes • Conduct regular employee feedback sessions • Offer competitive compensation and benefits • Invest in career development • Implement employee well-being	4	3	12
8	Reputational Risk (Intellectual Capital)	• Losing brand value • Losing new businesses/ Difficulty to attract new customers/ Investors • Negative publicity or crisis • Financial damage/ losses • Difficulty in raising equity/debt for new projects	• Proactive Communication – Engage with stakeholders early and often, keeping them informed about the Company's plans and addressing their concerns • Transparency and Accountability – Be transparent about the Company's operations and take responsibility for any negative impacts • Environmental and Social Responsibility – Prioritise environmental and social responsibility in all aspects of the Company's operations • Stakeholder Engagement – Engage with stakeholders throughout the project life cycle, addressing their concerns and building trust • Monitoring and Evaluation – Continuously monitor the Company's reputation and evaluate the effectiveness of its risk management strategies • Establish a clear social media policy, educate employees on guidelines, and take disciplinary action on any non compliance • Routinely update the financial institutions/regulators about the progress of the ongoing projects	1	1	1
9	Legal and Regulatory Compliance Risk (Social and Relationship Capital)	• Financial penalties • Reputational damage • Project delays or shutdowns • Interruptions in project operations • Revenue losses • Impact on ability to attract investors and partners • Lead to fines • Loss of staff time and other expenses	• Transparency and Accountability – Promoting transparency and accountability in operations to build trust with stakeholders • Public – Private Partnership or Community Engagement – Engaging with local communities early in the project development process to address potential land use conflicts and build support for projects • Expertise and Resources-invest in expertise and resources to navigate the complex regulatory landscape and ensure compliance • Keep proper documentation for proving compliance • Adherence to laws and regulations • Stay update on changing laws and compliance requirements and every three Months the management submits the compliance statement of rules and regulations applicable for business to the Board of Directors • Clear title established through legal process before acquisition of immovable properties	3	2	6

No.	Risk Category	Consequences	Risk Mitigation Approach	Risk Impact Level	Risk Likelihood	Risk Profile
10	Social, Environmental and Climate Change Risk (Natural Capital)	• Reputational damage • Non-compliance with legal and regulatory frameworks • Affect company's long-term business sustainability • Project delays or shutdowns • Interruptions in project operations • Damage to assets and infrastructures • Total washed out of assets or infrastructure • Increases in project cost and project operational cost • Revenue loss	• Due Diligence – Identify and assess potential risks early on develop and implement systems for assessing and mitigating risks • Incorporating climate change scenarios into the initial design and feasibility studies of new projects • Design and engineering adaptations to mitigate climate risk and real-time monitoring and maintenance to reduce operational breakdown time due to climate change destruction • Transparency and Accountability – Be transparent about Company's social and environmental performance and take responsibility for any negative impact • Sustainability Initiatives – Implement policies and practices that promote sustainability and corporate social responsibility • Stakeholder engagement or boost public-private partnership • Educating employees and the community about environmental issues, promoting sustainable practices throughout project life cycle, and encouraging active participation in conservation and protection	2	4	8
11	Information Security Risk(Intellectual Capital)	• Work disruptions due to equipment malfunctioning. • Loss of confidential data due to hardware failures. • Confidential data leakages to external parties. • Cyberattacks • Technological obsolescence	• PAP doesn't have a dedicated IT Department. The services have been outsourced to several external parties with agreements. The said agreements contain SLAs regarding key areas covered under these agreements. • All staff have been provided with access to Cloud base storage and advised them to save confidential company data on the said cloud base storage. • There are instances where the Company Officials are required to send equipment to third party service providers for the maintenance and repair work. The agreements entered with these third-party service providers contain a clause in the agreement for the non-disclosure of company information. • All company owned hardware equipment is protected by virus guards to mitigate the risk of cyberattacks. • The above-mentioned agreements to hire hardware with external parties have entered with a definite period thereby having room to address the technological obsolescence. • Steps are being taken to transfer current web site from a shared server to a dedicated server (AWS)	2	5	10

Financial Reports

Financial Calendar 2025/26

Interim Financial Statements (Interim Financial Statements are published as per Rule 7.4 of the Colombo Stock Exchange)

Interim Financial Statements for the three months ended 30 June 2025	Approved on 13 August 2025
Interim Financial Statements for the six months ended 30 September 2025	Approved on 7 November 2025
Interim Financial Statements for the nine months ended 31 December 2025	Approved on 10 February 2026
Interim Financial Statements For the year ended 31 March 2026	Approved on 28 May 2026
Audited Financial Statements	
Audited Financial statements for the year ended 31 March 2026	Approved on 4 June 2026
Annual General Meeting	30 June 2026
24th Annual General Meeting	

Annual Report of the Board of Directors on the Affairs of the Company

The Directors have pleasure in presenting the 24th Annual Report together with the Audited Consolidated Financial Statements of the Panasian Power Group for the year ended 31 March 2026.

General

This report also considers the requirements of the Companies Act No. 07 of 2007 (as Amended) (CA 2007), the relevant listing rules of the Colombo Stock Exchange (CSE) (as amended) (Listing Rules) and recommended reporting and corporate governance best reporting practices, such as the rules on Code of Best Practices on Related Party Transactions (2013) issued by the SEC, Code of Best Practice on Corporate Governance 2023 issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) (CG Code 2023) to the extent of business exigency as required by the Company and are also guided by recommended best accounting practices.

The Management of the Panasian Power PLC have prepared and reviewed the Integrated Annual Report and submitted the same to the Board Audit and Risk Committee who recommended the same to the Board of Directors for approval. Accordingly, the annual report of the Company including the annual report of the Board of Directors was adopted by the Board of Directors on 4 June 2026.

The required number of copies of the Company's Annual Report will be submitted to the relevant regulatory authorities within the stipulated time.

Legal Status

The Company was incorporated on 22 April 2002 under the name of Panasian Power PLC. The shares of the Company were listed on the Colombo Stock Exchange on 7 January 2011

Principal Activities of the Company

The principal activities of the Company are the generation and sale of Hydroelectricity to the Ceylon Electricity Board.

There had been no significant changes in the nature of the activities of the Company and its subsidiaries during the year under review.

Principal Activities of the Subsidiary Companies

The principal activities of the Subsidiaries are the generation and sale of Hydroelectricity and Solar electricity to the Ceylon Electricity Board and Engineering, Procurement and Construction of roof top solar power plants and sale of solar panel and inverters.

There have been no significant changes in the nature of the activities of the subsidiaries during the year under review.

Changes to the Group Structure

Business Review

A review of the Company and its subsidiaries' performance during the financial year is given in the Chairman's Statement, CEO's Review and in the Operation Review on the pages 28 to 34 of the annual report. These reports form an integral part of the Directors Report and provide a fair review of the performance of the Panasian Power Group during the financial year ended 31 March 2026.

The Sustainability Disclosure Standards, SLFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and SLFRS S2 – Climate-related Disclosures, issued by the International Sustainability Standards Board (ISSB) and adopted in Sri Lanka, are applicable to the first 100 listed entities of the Colombo Stock Exchange based on market capitalization as at 1 January 2025, for annual reporting periods beginning on or after 1 January 2025.

Although Panasian Power PLC is not directly within the first 100 listed entities, its ultimate parent company, R I L Property PLC, falls within this category. Accordingly, for the financial year 2025/26, Panasian Power PLC has included disclosures relating to SLFRS S2 – Climate-related Disclosures to support the sustainability reporting requirements of the Group and to enhance transparency regarding climate-related risks and opportunities that may affect the Company's operations, strategy, and financial performance.

Financial Statements

The Financial Statements of the Company and the Panasian Power Group are set out on pages 198 to 286 of the Annual Report.

Auditor's Report

The Auditor's Report on the Financial Statements is given on pages 195 to 197 of the Annual Report.

Material Accounting Policies

The Accounting Policies adopted in the preparation of the Financial Statements are given on pages 205 to 222 of the Annual Report.

Going Concern

The Group has prepared the Financial Statements for the year ended 31 March 2026 on the basis that it will continue to operate as a going concern.

In determining the basis of preparing the Financial Statements for the year ended 31 March 2026, based on available information, the management has assessed the prevailing macroeconomic conditions and its effect on the Group companies and the appropriateness of the use of the going concern basis.

It is the view of the management that there are no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The management has formed a judgment that the Company, its subsidiaries, and joint ventures have adequate resources to continue in operational existence for the foreseeable future driven by the continuous operationalisation of risk mitigation initiatives and monitoring of business continuity and response plans at each business level along with the financial strength of the Group.

In determining the above, significant management judgment, estimates and assumptions, the impact of the macroeconomic uncertainties, including exchange rate volatilities, supply chain disruptions, foreign exchange market limitations and interest rate volatilities have been considered as of the reporting date and specific considerations have been disclosed under the notes, as relevant.

The Financial Statements have accordingly been prepared based on the "Going Concern" concept.

Stated Capital

The total stated capital of the Company as at 31 March 2026 was LKR 1,030,000,000/- (2025- LKR 1,030,000,000/-) represented by 625,000,000 ordinary shares.

There were no changes in the stated capital of the company during the year.

Revenue

Revenue generated by the Company amounted to LKR 96,694,520/- (2025 – LKR 109,005,550/-), whilst the revenue of the Group amounted to LKR 2,008,277,141/- (2025 – LKR 1,382,655,766/-).

The contribution from different business segments is provided in note 7 to the Financial Statements on page 224.

Donations

The Group and the Company made donations during the year amounting to LKR 1,735,849/- and LKR 95,000/- respectively (2024/25 – Group: Rs 6,833,166/-, Company – LKR 1,702,634/-).

Property, Plant and Equipment and Intangible Assets

The Group and the Company incurred LKR 4,429,029,283/- and LKR 3,545,149/- respectively (2024/25 – Group: LKR 237,666,105/- Company: LKR 29,316,690/-) on acquisition of property, plant and equipment, details of which are available in Note 15 to the Financial Statements.

The investment in intangible assets by the Group during the year was LKR 3,725,548/- whilst the investment in intangible assets by the Company was LKR NIL/-. (2024/25 – Group: LKR 1,193,313/- , Company: LKR 1,193,313/-).

Specific information on extent and locations, on the Company's land holdings are given in Note 15 to the Financial Statement.

Reserves

Total reserves as at 31 March 2026 of the Company and Group amounted to LKR 475,303,102/- (2025 – LKR 514,550,141/-) and LKR 1,136,974,494/- (2025 – LKR 424, 616,615/-), respectively.

The movement and composition of the Capital and Revenue reserves is disclosed in the Statement of Changes in Equity on pages 201 to 202.

Events After the Reporting Date

There have been no events subsequent to the reporting date which would have any material effect on the Company or on the Group.

Contingent Liabilities and Capital Commitments

There have been no commitments or contingent liabilities other than those stated in Note 40 on page 276 of this Annual Report.

Human Resources

The number of persons employed by the Company and Group as at 31 March 2026 was 45 (2025 – 41) and 122 (2025 – 107), respectively. The Group is committed to pursuing various Human Resources (HR) initiatives that ensure the individual development of all our teams as well as facilitating the creation of value for themselves, the Company, and all other stakeholders.

There were no material issues pertaining to employees and industrial relations in the year under review.

Corporate Governance

On pages 140 to 152 of this Report, corporate governance practices and principles related to the Company's management and operations are outlined.

The Directors Declare That:

- The Company has not engaged in any activities which contravene laws and regulations.
- The Directors have declared all material interest in contracts involving the Company and refrained from voting on matters in which they were materially interested; and
- The Company has made all endeavours to ensure the equitable treatment of shareholders; and
- The business is a Going Concern with supporting assumptions or qualifications as necessary; and
- The Directors have conducted a review of internal controls covering financial operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith

Risk Management and Internal Control

The Board indicates that there is an ongoing procedure for identifying, evaluating, and managing any significant risks faced by the Group. The annual strategic planning cycle includes an evaluation and risk assessment of each business segment, and the Board and Audit and Risk Committee routinely analyse the key risks and preventative measures in place.

Directorate

The names of the directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 130 to 133.

Mr L Silva (Chairman)

Mr P Poddiwala – CEO/ED

Mr D Sooriyaarachchi

Mr K Kamburadeniya

Mrs H Fernando

Ms C Pietersz

Ms N Ranatunga

Mr I Perera (Appointed w.e.f. 5 August 2025)

Mr N Weerasinghe (Appointed w.e.f 15 September 2025)

Interest Register

Interest Registers are maintained by the Company as well as the subsidiaries as per the requirements of the Companies Act No. 07 of 2007. All Directors have made the necessary declarations as provided for in Section 192 (2) of the aforesaid Companies Act.

During the year, entries made in the Interest Register consisted of Directors' interests in contracts and remuneration paid to the Directors. The Interest Registers of the Company and its subsidiaries are available in the registered office of the Company, in keeping with the requirements of Section 119 (1) (d) of the Companies Act No. 07 of 2007.

The particulars of the Directors' Interests in Contracts are given on page 190 of the Annual Report and form an integral part of the Annual Report of the Board of Directors.

The Directors have no direct or indirect interest in a contract or a proposed contract with the Company other than those disclosed.

Directors' Shareholding

The Directors' interest in shares of the Company as at 31 March 2026 and 31 March 2025 are as follows;

Name of Director	31 March 2026	31 March 2025
Mr L Silva	NIL	NIL
Mr D Sooriyaarachchi	NIL	NIL
Mr P Poddiwala	NIL	NIL
Mr K Kamburadeniya	NIL	NIL
Ms H Fernando	NIL	NIL
Ms C Pietersz	NIL	NIL
Ms N Ranatunga	NIL	NIL
Mr I Perera	100	N/A
Mr N Weerasinghe	NIL	N/A

Directors of the Company and its subsidiaries who have relevant interests in shares of the respective companies have disclosed their shareholdings and any acquisitions/ disposals to their board, in compliance with section 200 of the companies Act.

Panasian Power PLC

Details of directors' shareholding in the company are given on page 290. There were no changes in holding during the year.

Amalgamation of PAP SPGM Solar (Private) Limited with PAP PTS Solar (Private) Limited

During the financial year, PAP SPGM Solar (Pvt) Ltd. was amalgamated with PAP PTS Solar (Pvt) Ltd. in accordance with the provisions of the Companies Act No. 07 of 2007.

As both entities were fellow subsidiaries under the common ownership and control of R-E-D Capital Asia (Private) Limited before and after the amalgamation, the transaction was considered a business combination under common control (sister company amalgamation)

Board Sub Committees

The Board Audit and Risk Committee Board HR and Remuneration Committee, Board Related Party Transaction Review Committee and the Board Nominations and governance Committee, function as Board sub committees.

Changes to the Subcommittee compositions during the year as well as the current Committee compositions are indicated in the respective Committee reports:

Board Subcommittee	Page reference
Board Audit and Risk Committee	167
Board HR and Remuneration Committee	170
Board Nominations and Governance Committee	174
Board Related Party Transactions Review Committee	172

Retirement of Directors by Rotation and re-election

Retirement by rotation

In term of the Article 24 (6) of the Articles of Association, one third of the directors who have been longest in office since their last election/re-election is required to retire e at each annual general meeting. Retiring directors are eligible for re-election and may be recommended for re-election by the board.

In terms of Article 24 (6) of the Articles of Association, Mr L Silva will retire by rotation and on the unanimous recommendation of the Board Nominations and Governance Committee and the Board of Directors Mr L Silva will retire and seek re-election at the upcoming annual general meeting.

Election

In terms of Article 24 (2) of the Articles of Association, Mr I Perera and Mr N Weerasinghe who were appointed during the year to fill a casual vacancy will retire and seek election by the shareholders at the AGM, on the unanimous recommendation of the Board Nominations and Governance Committee and the Board of Directors.

Directors' Remuneration

Details of the remuneration and other benefits received by the Directors are set out on page 231 of the Financial Statements.

Related Party Transactions

Non-recurrent related party transactions

There were no non-recurrent Related Party Transactions of which the aggregate value exceeded 10% of the Equity or 5% of the Total Assets of the Company during the year ended 31 March 2026, which require specific disclosures in the Annual Report in terms of section 9.14.8 of the Listing Rules of the CSE and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

Recurrent related party transactions

There were no recurrent Related Party Transactions which in aggregate exceeded 10% of the consolidated revenue of the Group as per latest audited Financial Statements, which require specific disclosures in the Annual Report in terms of section 9.14.8 of the Listing Rules of the CSE and the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

The identified Related Parties as well as the Related Party transactions undertaken during the year are set out in note 38 to the Financial Statements on page 271-276.

The members of the Board and the senior managers have been identified as "Key Management Personnel" of the Company. There were no Related Party transactions by the Key Management Personnel with the Company other than note 11 to the financial statement on page 231.

As required by the Listing Rules of the CSE, the Board confirms that the Company has complied with all requirements as per Section 9 of the Listing Rules of the CSE on Related Party transactions.

Distribution schedule of shareholders

The details are given on page 290.

Information on ratios and market price information

Disclosures under section 7.6 (xi) (i.e. Dividend per share, Dividend pay out, Net asset value per share, Market value per share and highest and lowest values recorded during the financial year) of the Listing Rules of the CSE are indicated on page 80.

Substantial Shareholding

The names of the twenty largest shareholders, the number of shares held and the percentages are given on page 291 of the Annual Report.

Disclosures required under section 7.6 (iv) (i.e. the float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Company complies with the Minimum Public Holding requirement, in respect of voting ordinary shares) of the Listing Rules of the CSE is indicated on page 291.

Employee share ownership plans

The Company does not have any employee share ownership/ option plans.

Environmental Protection

The Group complies with the relevant environmental laws, regulations and endeavours to comply with best practices applicable in the country of operation.

Statutory Payments

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies, and taxes payable on behalf of, and in respect of the employees of the Company and its subsidiaries, and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the Reporting date have been paid or, where relevant provided for, except as specified in Note 40 to the Financial Statements on page 276, covering Contingent liabilities.

Auditors

M/s Ernst & Young, Chartered Accountants (Ernst & Young) (approved by the SEC), served as the Group's External Auditors for the past three financial years up to 31 March 2026.

As part of the Company's commitment to maintaining high standards of corporate governance, auditor independence and effective oversight, the Board Audit and Risk Committee periodically reviews the external audit arrangements of the Company and the Group. Following a comprehensive review, the Board Audit and Risk Committee recommended the appointment of Messrs. KPMG as External Auditors of the Company.

Having considered the recommendation of the Board Audit and Risk Committee, the Board has proposed the appointment of Messrs. KPMG for shareholder approval at the forthcoming Annual General Meeting.

The Board Audit and Risk Committee reviews the appointment of the Auditor, its effectiveness, and its relationship with the Group, including the level of audit and non-audit fees paid to the Auditor. Details of Audit fees are set out in Note 11 of the Financial Statement.

The Auditors do not have any relationship (other than that of an Auditor) with the Company or any of its subsidiaries.

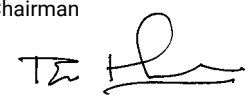
Annual General Meeting

The Annual General Meeting of the Company will be held as a virtual meeting on 30 June 2026 at 1.00 pm.

This Annual Report is signed for and on behalf of the Board of Directors.



L Silva
Chairman



P Poddiwala
Chief Executive Officer/Executive Director



R Weudagedara
Company Secretary

4 June 2026

Directors' Statement on Internal Control

The Board of Directors present this Statement on Internal Control in accordance with principle D.1.5. of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

Responsibility

The Board of Directors of Panasian Power PLC acknowledge its responsibility for the adequacy and effectiveness of Group's system of internal controls to safeguard shareholders' investment and Group's assets.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the systems of internal controls as and when there are changes to the business environment or regulatory guidelines.

The Board is of the view that the systems of internal control over financial reporting in place are sound and adequate to provide reasonable assurance regarding the reliability of financial reporting and that the preparation of Financial Statements for external purposes is in accordance with relevant accounting principles and regulatory requirements.

The Board has delegated specific responsibilities to the following four subcommittees:

- Board Audit and Risk Committee
- Board Related Party Transactions Review Committee
- Board HR and Remuneration Committee
- Board Nominations and Governance Committee

These Committees are chaired by Independent Non-Executive Directors and have the authority to examine particular issues and report back to the Board with their recommendations.

Internal Audit

The Internal Audit function of the Group verifies compliance of operations with policies and procedures and the effectiveness of the internal control systems and highlights significant findings in respect of any noncompliance.

Audits are carried out on all Strategic Business Units (SBUs), the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities of SBUs. The annual audit plan is reviewed and approved by the Board Audit and Risk Committee and the findings of the audits are submitted to the Board Audit and Risk Committee for review at their periodic meetings.

Policies, Procedures and Budgets

Policies and procedures to ensure compliance with internal controls and relevant laws and regulations are set out in operations manuals, which are updated from time to time.

Annual budgets are approved by the respective Boards and the subsidiaries' performance is assessed against the budgets and explanations are provided for significant variances periodically to the respective Boards.

Insurance and Physical Safeguards

Adequate insurance and physical safeguards on major assets are in place to ensure Group assets are sufficiently covered to minimise material loss against any adverse unforeseen events.

Whistleblowing Policy

The Group encourages a whistleblowing policy which enables employees to bring irregularities in financial reporting, internal controls, or other matters within the Group to the notice of the higher management.

Proper arrangements are in place to facilitate fair and independent investigation for such matters, if any. The prevalence and effectiveness of this policy is monitored by the Board Audit and Risk Committee from time to time.

The Group Code of Ethics & Professional Conduct

The Group Code of Ethics and Professional Conduct (Code) which includes a strong set of corporate values and conduct, is circulated to Directors and all employees. The Board ensures that Directors and all employees strictly comply with the Code in exercising their duties, communications, role modelling and in any other circumstance, so as to uphold the Group's integrity and image. Strict disciplinary actions are initiated for any violation of the Group Code of Ethics and Professional Conduct.

Cybersecurity

The Group has become more technology driven, thus increasing the Group's reliance on cyber connectivity. In this era, securing and protecting the Group's information assets becomes a priority. The Board has taken necessary precautions to minimise the risk of a security breach. During the year under review, necessary steps were rolled out to manage the exposure to cyber-attacks by reducing the threat surface and potentially exploitable vulnerabilities.

Going Concern

The statement of going concern is set out in the Annual Report of the Board of Directors on page 188.

Risk Management

The Board has set up an ongoing process for identifying, monitoring and managing the principal and emerging risks faced by the Group.

An overview of the Group's risk management framework is set out on pages 178 to 185 of this Annual Report.

Annual Report

The Board is responsible for the preparation of the Annual Report and confirm that the quarterly reports, Annual Financial Statements and the annual review of operations of the Group and its equity accounted investees that are incorporated in this Annual Report have been prepared and presented in a reliable manner based on a balanced and comprehensive assessment of the financial performance of the Group.

Confirmation

Based on the above processes, the Board of Panasian Power PLC confirms that the financial reporting system of the Group has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes and has been done in accordance with Sri Lanka Accounting Standards and regulatory requirements.

By order of the Board



L Silva
Chairman



C Pietersz
Chairperson of the Audit and Risk Committee



L Egodawaththa
Finance Manager

4 June 2026

Statement of Directors' Responsibility

The Directors are responsible under sections 150 (1), 151, 152 (1), & 153 of the Companies Act No.07 of 2007 ("The Companies Act"), to ensure compliance with the requirements set out therein to prepare Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the profit & loss of the Company and the Group for the financial year.

The Directors are also responsible, under section 148, the Companies Act to ensure that proper accounting records are kept to enable, determination of the financial position with reasonable accuracy, preparation of Financial Statements and audit of such statements to be carried out readily and properly.

The Board accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors confirm that in preparing the Financial Statements, appropriate accounting policies have been selected and applied consistently while reasonable and prudent judgments have been made so that the form and substance of transactions are properly reflected.

They also confirm that the Financial Statements have been prepared and presented in accordance with the Sri Lanka Accounting Standards (SLFRS/LKAS), the Companies Act and the listing rules of the Colombo Stock Exchange.

The Directors are of the opinion, based on their knowledge of the company, key operations and specific inquiries, that adequate resources exist to support the Company on a going concern basis over the next year. These Financial Statements have been prepared on that basis.

The Directors have taken proper and sufficient measures to safeguard the assets of the Group and, in that context, have instituted appropriate systems of internal control and accounting records to prevent and detect fraud and other irregularities. These have been reviewed, evaluated and updated on an ongoing basis.

The Directors have confirmed that the Company satisfies the solvency test requirement under Section 56 of the Companies Act No. 07 of 2007 for the interim dividend declared and a solvency certificate was obtained from the Auditors in respect of the said interim dividend declared.

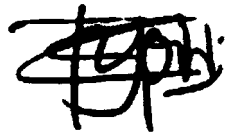
The external Auditors, Messrs Ernst & Young, Chartered Accountants who were re-appointed in terms of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The report of the Auditors, shown on pages 195 to 197 sets out their responsibilities in relation to the Financial Statements.

Compliance Report

The Directors confirm that to the best of their knowledge, all statutory payments relating to employees and the Government that were due in respect of the Company and its Subsidiaries as at the Balance Sheet date have been paid or provided where relevant.

For and on behalf of the Board

Panasian Power PLC



R Weudagedara

Secretaries

Independent Auditor's Report

Shape the future with confidence

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

To the Shareholders of Panasian Power PLC

Report on the audit of the financial statements

Opinion

We have audited the Financial Statements of Panasian Power PLC ("the Company") and the consolidated Financial Statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other 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 Financial Statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2026, and of their financial performance and 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 Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities* for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Partners: D K Hulangamuwa FCA FCMA LLB (London), Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, 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, M U M Mansoor ACA

Principals: T P M Ruberu FCMA FCCA MBA, G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited

Key Audit Matter	How KAM was addressed
Voluntary change in accounting policy During the year ended 31 March 2026, the Group voluntarily changed its accounting policy for the subsequent measurement of Land, Civil construction, Electro-mechanical equipment and Solar power plant from the revaluation Model to the cost Model, as disclosed in Note 15 to the financial statements. The group engaged and obtained the assistance of an External Expert for this purpose. This was a key audit matter due to: • the materiality of the reported Land, Civil construction, Electro-mechanical equipment and Solar power plant which amounted to Rs. 6.8 billion, representing 71% of the Group's total assets as at the reporting date • the degree of management judgements, estimates and assumptions applied in evaluating the appropriateness of the change in accounting policy, including the determination of adjustments necessary to the carrying values reported in the current year and the restatement of comparative amounts of prior periods presented, together with related financial statement disclosures.	**Our audit procedures included the following key procedures:** • Obtained an understanding of the change in accounting policy and evaluated whether it is aligned with Sri Lanka Accounting Standards. • We assessed the competence, capability and objectivity of the External Expert engaged by the Group. We also obtained and read the External Expert's Report and obtained an understanding of the approach and conclusions reached. • Tested the mathematical accuracy of any computations and agreed amounts to source documents and supporting evidence • Assessed the reasonableness of management judgements, estimates and assumptions applied in applying the change in accounting policy, including adjustments to the carrying values reported in the current year and restated comparative amounts of prior periods. We also assessed the adequacy of the related financial statement disclosures in Note 15.

Other Information included in the 2026 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of The Management and Those Charged With Governance

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

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

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 internal controls of the Company and the Group.
- 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 Group'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 Group 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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.

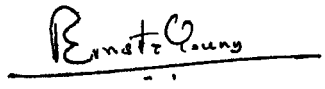
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2440.



Colombo

4 June 2026

Statement of Financial Position

As at 31 March	Note	Group 2026 LKR	Group 2025 (Restated) LKR	Group 2024 (Restated) LKR	Company 2026 LKR	Company 2025 (Restated) LKR	Company 2024 (Restated) LKR
Assets							
Non-current assets							
Property, plant and equipment	15	**6,927,768,540**	2,787,396,940	2,700,353,540	**104,896,835**	114,032,680	95,591,105
Capital work-in-progress	16	**83,059,907**	1,375,638,853	118,391,792	**22,884,896**	2,794,894	17,791,432
Right of use assets	17.1	**83,263,928**	98,557,315	79,230,136	**28,461,457**	41,064,625	23,239,701
Intangible assets	18.4	**69,279,487**	71,302,974	75,464,715	**1,720,879**	2,415,458	2,206,369
Investment in subsidiaries	19.1	**–**	–	–	**1,427,377,715**	1,382,277,714	1,230,177,714
Investment in preference shares	20	**–**	–	4,153,902	**23,000,000**	23,000,000	23,000,000
Investment in equity accounted investee	21	**14,586,054**	15,465,858	12,984,162	**–**	–	–
Other non financial assets	22	**–**	22,115,150	6,115,150	**–**	22,115,150	6,115,150
Deferred tax assets	33	**1,124,818,417**	2,228,496	793,477	**–**	86,389	–
Total non-current assets		**8,302,776,333**	4,372,705,586	2,997,486,874	**1,608,341,782**	1,587,786,910	1,398,121,471
Current assets							
Inventories	23	**139,446,076**	99,133,209	186,317,986	**1,267,145**	1,358,159	1,023,407
Financial assets at fair value through profit or loss	24	**168,380,097**	38,204,823	30,936,127	**30,320,958**	104,640	–
Trade and other receivables	25	**823,614,765**	374,196,825	310,393,232	**44,952,748**	76,799,906	21,000,884
Income tax receivable	37	**6,449,177**	6,449,177	906,834	**–**	–	–
Amount due from related companies	26	**646,280**	10,655,638	12,347,117	**57,791,461**	169,296,481	401,470,660
Other financial asset	27	**57,755,715**	58,540,996	–	**–**	–	–
Cash and cash equivalents	28	**162,105,530**	1,114,484,805	470,547,136	**43,033,783**	75,196,635	84,477,008
Total current assets		**1,358,397,640**	1,701,665,473	1,011,448,432	**177,366,095**	322,755,821	507,971,959
Total assets		**9,661,173,973**	6,074,371,059	4,008,935,306	**1,785,707,877**	1,910,542,731	1,906,093,430
Equity and liabilities							
Equity							
Stated capital	29.1	**1,030,000,000**	1,030,000,000	1,030,000,000	**1,030,000,000**	1,030,000,000	1,030,000,000
Retained earnings		**1,136,974,494**	424,616,615	66,385,904	**475,303,102**	514,550,141	317,222,240
Equity attributable to owners of the company		**2,166,974,494**	1,454,616,615	1,096,385,904	**1,505,303,102**	1,544,550,141	1,347,222,240
Non controlling interests		**808,673,078**	111,218,455	134,948,428	**–**	–	–
Total equity		**2,975,647,572**	1,565,835,070	1,231,334,332	**1,505,303,102**	1,544,550,141	1,347,222,240
Non-current liabilities							
Retirement benefit obligation	30	**19,987,008**	17,641,274	11,550,170	**16,425,654**	13,715,227	9,561,523
Lease liabilities	31	**78,685,138**	95,032,093	75,788,917	**22,194,299**	38,838,488	28,528,143
Interest bearing loans and borrowings	32	**4,819,421,657**	2,494,818,998	1,179,122,720	**–**	34,221,746	86,674,286
Loan due to related company		**–**	–	199,102,645	**–**	–	–
Deferred tax liabilities	33	**224,593,816**	388,550,758	434,663,568	**9,430,067**	–	11,133,999
Total non-current liabilities		**5,142,687,619**	2,996,043,123	1,900,228,020	**48,050,020**	86,775,461	135,897,951

As at 31 March	Note	Group 2026 LKR	Group 2025 (Restated) LKR	Group 2024 (Restated) LKR	Company 2026 LKR	Company 2025 (Restated) LKR	Company 2024 (Restated) LKR
Current liabilities							
Lease liabilities	31	**16,691,578**	14,580,200	10,138,508	**16,644,189**	14,536,558	5,600,770
Interest bearing loans and borrowings	32	**1,119,926,170**	342,652,174	470,574,825	**34,221,746**	52,446,396	74,168,328
Amount due to related companies	34	**–**	–	–	**123,098,554**	169,541,810	184,238,281
Loan due to related company		**–**	250,000,000	–	**–**	–	–
Trade and other payables	35	**247,249,393**	719,012,135	282,767,744	**48,316,358**	26,559,536	157,973,304
Provisions	36	**57,554,334**	–	–	**–**	–	–
Income tax payable	37	**89,992,525**	120,912,517	79,191,109	**8,228,788**	12,506,313	–
Bank overdrafts	28	**11,424,782**	65,335,840	34,700,768	**1,845,120**	3,626,516	992,556
Total current liabilities		**1,542,838,782**	1,512,492,866	877,372,954	**232,354,755**	279,217,129	422,973,239
Total liabilities		**6,685,526,401**	4,508,535,989	2,777,600,974	**280,404,775**	365,992,590	558,871,190
Total equity and liabilities		**9,661,173,973**	6,074,371,059	4,008,935,306	**1,785,707,877**	1,910,542,731	1,906,093,430

The Accounting Policies and Notes on pages 198 to 286 form an integral part of these Financial Statements.

We certify that these Financial Statements are in compliance with the requirements of the Companies Act No. 07 of 2007 (as amended).



L Egodawaththa
Finance Manager

The Board of Directors is responsible for these Financial Statements. Approved and signed for and on behalf of Board of Directors.



L Silva
Chairman



P Poddiwala
Chief Executive Officer/Executive Director

Colombo
4 June 2026

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March	Note	Group 2026 LKR	Group 2025 (Restated) LKR	Company 2026 LKR	Company 2025 (Restated) LKR
Revenue from contracts with customers	6.1	**2,008,277,141**	1,382,655,766	**96,694,520**	109,005,550
Billing under the standardised power purchase agreement	6.2	**236,578**	160,072,034	**69,990**	34,986,267
Cost of sales		**(691,945,064)**	(683,851,631)	**(27,581,851)**	(23,584,885)
Gross profit		**1,316,568,655**	858,876,169	**69,182,659**	120,406,932
Other operating income	8	**114,505,633**	16,920,322	**193,479,437**	138,608,771
Administrative expenses		**(446,092,035)**	(273,295,456)	**(114,501,619)**	(81,571,385)
Selling and distribution expenses		**(13,685,586)**	(16,662,015)	**–**	–
Impairment (losses)/reversals on trade and other receivables	25.1.4 & 25.2.1	**(6,564,019)**	7,444,027	**–**	–
Impairment losses on property, plant and equipment	15.7	**(32,593,521)**	–	**–**	–
Other operating expenses	9	**(442,046)**	–	**(42,372,907)**	–
Operating profit		**931,697,081**	593,283,047	**105,787,570**	177,444,318
Finance income	10.1	**43,027,870**	43,214,124	**21,894,420**	55,771,054
Finance expenses	10.2	**(478,159,824)**	(234,677,405)	**(27,815,143)**	(29,369,910)
Net finance (expenses)/income		**(435,131,954)**	(191,463,281)	**(5,920,723)**	26,401,144
Share of (loss)/profit of equity accounted investees – (net of tax)	21.1	**(879,804)**	3,059,113	**–**	–
Profit before taxation	**11**	**495,685,323**	404,878,879	**99,866,847**	203,845,462
Income tax reversals/(expenses)	12	**1,118,663,419**	(132,523,476)	**(17,271,836)**	(5,098,553)
Profit for the year		**1,614,348,742**	272,355,403	**82,595,011**	198,746,909
Other comprehensive income					
Items that will not be reclassified to profit or loss					
– Re-measurement of retirement benefit obligation	30	**2,588,150**	(3,175,515)	**1,578,025**	(2,027,154)
– Deferred tax effect on re-measurement of retirement benefit obligation	12.2	**(699,114)**	837,210	**(473,408)**	608,146
Other comprehensive income/(loss) for the year, (net of tax)		**1,889,036**	(2,338,305)	**1,104,617**	(1,419,008)
Total comprehensive income for the year		**1,616,237,778**	270,017,098	**83,699,628**	197,327,901
Profit attributable to:					
Owners of the parent		**836,725,690**	249,738,129	**82,595,011**	198,746,909
Non-controlling interests		**777,623,052**	22,617,274	**–**	–
Profit for the year		**1,614,348,742**	272,355,403	**82,595,011**	198,746,909
Total comprehensive income for the year attributable to:					
Equity holders of the parent		**838,532,706**	240,073,420	**83,699,628**	197,327,901
Non-controlling interests		**777,705,072**	29,943,678	**–**	–
Total comprehensive income for the year		**1,616,237,778**	270,017,098	**83,699,628**	197,327,901
Earnings per share for profit attributable to the ordinary shareholders of the parent					
Basic earnings per share (LKR)	13.1	**1.34**	0.40	**0.13**	0.32
Dividend per share (LKR)	14	**0.20**	–	**0.20**	–

The material Accounting Policies and Notes on pages 198 to 286 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Changes in Equity

Group	Note	Stated capital LKR	Revaluation reserve LKR	Retained earnings LKR	Total LKR	Non-controlling interest LKR	Total equity LKR
Balance as at 1 April 2024		1,030,000,000	1,353,080,032	(145,360,298)	2,237,719,734	193,057,912	2,430,777,646
Effect of change in accounting policy of property, plant and equipment from revaluation model to cost model		–	(1,353,080,032)	211,746,202	(1,141,333,830)	(58,109,484)	(1,199,443,314)
Balance as at 1 April 2024 – Restated		1,030,000,000	–	66,385,904	1,096,385,904	134,948,428	1,231,334,332
Changes in ownership interests in subsidiaries							
– Adjustment on carrying value of non-controlling interest in subsidiaries		–	–	–	–	(34,767,549)	(34,767,549)
– Increase in equity attributable to parent (Changes to non-controlling interest in subsidiaries without loss of control)		–	–	110,726,189	110,726,189	–	110,726,189
Total comprehensive income for the year							
– Profit for the year		–	–	249,738,129	249,738,129	22,617,274	272,355,403
– Other comprehensive loss		–	–	(2,233,607)	(2,233,607)	(104,698)	(2,338,305)
Transaction with owners in their capacity as owners							
Distributions							
– Dividends		–	–	–	–	(11,475,000)	(11,475,000)
Balance as at 31 March 2025 – Restated		1,030,000,000	–	424,616,615	1,454,616,615	111,218,455	1,565,835,070
Balance as at 1 April 2025 – Restated		1,030,000,000	–	424,616,615	1,454,616,615	111,218,455	1,565,835,070
Prior period adjustment		–	–	(1,185,196)	(1,185,196)	–	(1,185,196)
Total comprehensive income for the year							
– Profit for the year		–	–	836,725,690	836,725,690	777,623,052	1,614,348,742
– Other comprehensive income		–	–	1,817,385	1,817,385	71,651	1,889,036
Transaction with owners in their capacity as owners							
Distributions							
– Dividends	14	–	–	(125,000,000)	(125,000,000)	(80,240,080)	(205,240,080)
Balance as at 31 March 2026		**1,030,000,000**	**–**	**1,136,974,494**	**2,166,974,494**	**808,673,078**	**2,975,647,572**

Company	Note	Stated capital LKR	Revaluation reserve LKR	Retained earnings LKR	Total equity LKR
Balance as at 1 April 2024		1,030,000,000	440,008,695	251,878,244	1,721,886,939
Effect of change in accounting policy of property, plant and equipment from revaluation model to cost model		–	(440,008,695)	65,343,996	(374,664,699)
Balance as at 1 April 2024 – Restated		1,030,000,000	–	317,222,240	1,347,222,240
Total comprehensive income for the year					
– Profit for the year		–	–	198,746,909	198,746,909
– Other comprehensive income		–	–	(1,419,008)	(1,419,008)
Balance as at 31 March 2025 – Restated		1,030,000,000	–	514,550,141	1,544,550,141
Balance as at 1 April 2025 – Restated		1,030,000,000	–	514,550,141	1,544,550,141
Prior period adjustment		–	–	2,053,333	2,053,333
Total comprehensive income for the year					
– Profit for the year		–	–	82,595,011	82,595,011
– Other comprehensive income		–	–	1,104,617	1,104,617
Transaction with owners in their capacity as owners					
Distributions					
– Dividends	14	–	–	(125,000,000)	(125,000,000)
Balance as at 31 March 2026		**1,030,000,000**	**–**	**475,303,102**	**1,505,303,102**

The Accounting Policies and Notes on pages 198 to 286 form an integral part of these Financial Statements.

The figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31 March	Note	Group 2026 LKR	Group 2025 (Restated) LKR	Company 2026 LKR	Company 2025 (Restated) LKR
Cash flows from operating activities					
Profit before taxation		495,685,323	404,878,879	99,866,847	203,845,462
Adjustments for,					
Depreciation of property, plant and equipment	15	280,495,161	150,622,705	12,680,994	10,875,115
Depreciation of right of use assets	17.1	15,293,387	12,579,714	12,603,168	9,934,037
Amortisation of intangible asset	18.4	5,749,035	5,355,054	694,579	984,225
Impairment losses/(reversals) on trade and other receivables	25.1.4 & 25.2.1	6,564,019	(7,444,027)	–	–
Profit from disposal of the assets	8	(13,521,000)	–	–	–
Provision for impairment of property, plant and equipment	15.1	32,593,521	–	–	–
Inter-company interests expense write-offs	9	–	–	42,372,907	–
Provision for retirement benefit obligation	30	4,998,867	3,850,686	4,288,452	3,061,647
Provision for inventories	9	442,046	3,820,365	–	–
Lease interests	31	10,812,443	10,707,365	–	–
Restoration cost	36	57,554,334	–	–	–
Dividend income/(reversals)	8	–	138,037	(109,165,764)	(137,483,622)
Dividend written-back	8	(2,432,169)	–	(2,432,169)	–
Share of (loss)/profit of equity accounted investees	21.1	879,804	(3,059,113)	–	–
Finance income	10.1	(43,027,870)	(46,487,308)	(21,894,420)	(55,771,054)
Finance expenses	10.2	464,895,745	245,384,770	25,157,679	33,624,471
		1,316,982,646	780,347,127	64,172,273	69,070,281
(Increase)/decrease in inventories		(40,754,913)	83,563,195	(91,014)	(334,752)
(Increase)/decrease in trade and other receivables		(457,163,155)	(48,779,651)	31,812,866	(564,954)
Decrease/(increase) in amounts due from related parties		10,009,358	(17,888,438)	46,085,447	65,594,264
(Decrease)/increase in trade and other payables		(471,805,788)	572,771,657	24,188,991	(6,413,762)
Decrease in amounts due to related parties		–	–	(40,145,504)	(14,696,471)
		357,268,148	1,370,013,890	126,023,059	112,654,606
Interests paid	10.2	(443,480,926)	(228,915,851)	(24,634,675)	(28,834,249)
Income tax paid	37	(199,347,186)	(126,722,245)	(12,506,313)	(2,777,763)
Gratuity paid	30	(64,983)	(935,097)	–	(935,097)
Net cash (used in)/generated from operating activities		(285,624,947)	1,013,440,697	88,882,071	80,107,497

For the year ended 31 March	Note	Group 2026 LKR	Group 2025 (Restated) LKR	Company 2026 LKR	Company 2025 (Restated) LKR
Cash flows from investing activities					
Acquisition of property, plant and equipment	15.1 & 15.2	(64,146,369)	(222,874,673)	(3,545,149)	(14,525,259)
Redemption of investments in preference shares		–	4,153,902	–	–
Investments in investment fund	24	(1,336,173,087)	(552,550,000)	(62,000,000)	(56,050,000)
Withdrawals from investment fund	24	1,205,997,814	551,050,000	32,000,000	56,050,000
Investments in capital work in progress	16	(3,072,303,967)	(1,260,797,571)	(20,090,002)	(294,894)
Withdrawals from fixed deposit	27	785,281	–	–	–
Investment in fixed deposits	27	–	(58,540,996)	–	–
Proceeds from sale of property plant and equipment	8	13,521,000	–	–	–
Investment in subsidiaries		–	–	–	(5,100,000)
Investment in other non financial assets		–	(4,000,000)	–	(4,000,000)
Investments in intangible assets	18	(3,725,548)	(1,193,313)	–	(1,193,313)
Dividend (reversed)/received	8	–	(138,037)	109,165,764	89,862,372
Interest received	10.1	43,027,870	46,487,308	21,894,420	55,771,054
Net cash (used in)/generated from investing activities		(3,213,017,006)	(1,498,403,380)	77,425,033	120,519,960
Cash flows from financing activities					
Proceeds from loans and borrowings	32	3,509,850,964	1,975,890,155	–	–
Repayment of borrowings	32	(429,389,128)	(780,163,478)	(52,969,400)	(74,774,400)
Loan processing fees	32	–	(18,432,007)	–	–
Related party loan (repayment)/grants		(250,000,000)	60,000,000	–	–
Shares issue to non-controlling interest		–	4,900,000	–	–
Dividends paid		(205,240,080)	(125,000,000)	(125,000,000)	(125,000,000)
Lease payments	31	(25,048,020)	(18,929,390)	(18,719,160)	(12,767,390)
Net cash generated from/(used in) financing activities		2,600,173,736	1,098,265,280	(196,688,560)	(212,541,790)
Net (decrease)/increase in cash and cash equivalents		(898,468,217)	613,302,597	(30,381,456)	(11,914,333)
Cash and cash equivalents at the beginning of the year	28	1,049,148,965	435,846,368	71,570,119	83,484,452
Cash and cash equivalents at the end of the year	**28**	150,680,748	1,049,148,965	41,188,663	71,570,119

The Accounting Policies and Notes on pages 198 to 286 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. CORPORATE INFORMATION

1.1 General

(a) Panasian Power PLC ("the company") is a public limited liability company incorporated and domiciled in Sri Lanka and listed on the Colombo Stock Exchange. The registered office of the company and principal place of business is located at Level 04, BTL Shipping House, No 45/2, Braybrooke Street, Colombo 02.

(b) The fully owned subsidiary companies, Manelwala Hydropower (Pvt) Ltd, Panasian Investments (Pvt) Ltd, and Panasian Solar (Pvt) Ltd are private companies with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No 7 of 2007. The immediate parent of these companies are Panasian Power PLC.

(c) 83% owned subsidiary company, Padiyapelella Hydropower limited is a limited liability company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No 7 of 2007. The immediate parent of the company is Panasian Power PLC.

(d) 51% owned subsidiary company, R-E-D Capital Asia (Pvt) Ltd is a limited liability company with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No 7 of 2007. The immediate parent of the company is Panasian Power PLC.

(e) 51% owned subsidiary companies, PAP MHPL Solar (Pvt) Ltd, PAP PTS Solar (Pvt) Ltd, PAP SPGM Solar (Pvt) Ltd (amalgamated w.e.f. 31 March 2026) and PAP EGSS Solar (Pvt) Ltd are limited liability companies with limited liability incorporated in Sri Lanka under the provisions of the Companies Act No 7 of 2007. The immediate parent of the company is R-E-D Capital Asia (Pvt) Ltd.

(f) 1. The fully owned subsidiary PAP Solar One (Pvt) Ltd is a limited liability company incorporated in Sri Lanka under the provisions of the companies Act No.07 of 2007.

2. Panasian Investments (Pvt) Ltd is the immediate parent of PAP Solar One (Pvt) Ltd.

(g) 1. The fully owned sub subsidiary Eco Green Solar Solutions (Pvt) Ltd is limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.

2. Manelwala Hydropower (Pvt) Ltd is the immediate parent of Eco Green Solar Solutions (Pvt) Ltd.

(h) 1. The fully owned subsidiary Solar Power Generation Matara (Pvt) Ltd is limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.

2. Panasian Investments (Pvt) Ltd is the immediate parent of Solar Power Generation Matara (Pvt) Ltd.

(i) 1. The fully owned subsidiary Panthree Solaro Energy (Pvt) Ltd is a limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.

2. Panasian Power PLC is the immediate parent of Panthree Solaro Energy (Pvt) Ltd.

(j) 1. The fully owned subsidiaries Rajarata Sustainable Development (Pvt) Ltd and Finergreen Rajarata (Pvt) Ltd are limited liability companies incorporated in Sri Lanka under the provisions of the Companies Act No.07 of 2007.

2. PAP Solar One (Pvt) Ltd is the immediate parent of Rajarata Sustainable Development (Pvt) Ltd and Finergreen Rajarata (Pvt) Ltd.

(k) The fully owned subsidiary Solar One Asia (Pvt) Ltd is limited liability company incorporated in Sri Lanka under the provision of the Companies Act No. 07 of 2007.The immediate parent of the company is Panasian Power PLC.

(l) The fully owned subsidiary Lower Kotmale Oya Power Two (Pvt) Ltd is limited liability company incorporated in Sri Lanka under the provision of the Companies Act No. 07 of 2007.The immediate parent of the company is Panasian Power PLC.

(m) Joint Venture Powergen One (Pvt) Ltd is a limited liability company incorporated in Sri Lanka under the provisions of the Companies Act No. 07 of 2007. Panasian Investments (Pvt) Ltd has invested 50% of ordinary shares of Powergen One (Pvt) Ltd.

1.2 Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2026 comprise "the company" referring to Panasian Power PLC as the holding company and the "Group" referring to companies that have been consolidated therein together with the Group's Interests in equity accounted investees.

1.3 Date of Authorisation for Issue

The consolidated Financial Statements of Panasian Power PLC and its subsidiaries (collectively, the Group) for the year ended 31 March 2026 were authorised for issue by the Directors on 4 June 2026.

1.4 Principal Activities and Nature of Operations

The principal activity of the company and its subsidiaries Manelwala Hydropower (Pvt) Ltd and Padiyapelella Hydropower Ltd are to produce hydro power.

The company entered into Standardized agreement for purchase of energy with the National System Operator (Pvt) Ltd. (NSO) (Formerly known as Ceylon Electricity Board) for the sale of electrical energy from Rath Ganga mini-hydro production facilities for a period of 15 years, beginning on the commercial operation date of 5 July 2004 and addendum

to agreement was signed on 19 September 2024 for the extension of another 20 years starting from 5 July 2019. The capacity of power potential is 3000kW and it is situated at Rath Ganga, Ratnapura.

The subsidiary, Manelwala Hydropower (Pvt) Ltd entered into standardised agreement for purchase of energy with National System Operator (Pvt) Ltd (NSO) (Formerly known as Ceylon Electricity Board) for the sale of electrical energy from Kurundu Oya mini-hydro production facilities for a period of 15 years, beginning on the commercial operation on 18 June 2008 and new agreement signed on 22 April 2024 for another 20 years. The capacity of power potential is 2400kW and it is situated at Walapane.

The subsidiary, Padiyapelella Hydropower Ltd entered into standardised agreement for purchase of energy with the National System Operator (Pvt) Ltd (NSO) (Formerly known as Ceylon Electricity Board) for the sale of electrical energy from Belihul Oya mini-hydro production facilities for a period of 20 years and the project was commissioned on 1 March 2017. The capacity of power potential of Phase 1 is 4400kW and situated at Padiyapelella.

The subsidiaries, Panasian Investments (Pvt) Ltd and Panasian Solar (Pvt) Ltd have obtained the approval from Sustainable Energy Authority (SEA) as an EPC (Engineering, Procurement and Construction) supplier for rooftop solar power plants. Panasian Investments (Pvt) Ltd is a distributor of the Sungrow solar power plants equipment in Sri Lanka.

The sub subsidiary Eco Green Solar Solutions (Pvt) Ltd, entered into standardised agreement for purchase of energy with National System Operator (Pvt) Ltd (NSO) (Formally known as Ceylon Electricity Board) for the sale of electrical energy from Beliatta solar power PV Plant to National Grid for a period of 20 years and the project was commissioned on 29 July 2019. The capacity of power potential is 1000kW.

The sub subsidiary Solar Power Generation Matara (Pvt) Ltd, entered into two Standardised agreements for purchase of energy with National System Operator (Pvt) Ltd (NSO) (Formerly known as Ceylon Electricity Board) for the sale of electrical energy from Matara solar power PV plants to National Grid for a period of 20 years. The capacity of power potential 2000kW.

The sub subsidiary Panthree Solaro Energy (Pvt) Ltd entered into standardised agreements for purchase of energy with National System Operator (Pvt) Ltd (NSO) (Formerly known as Ceylon Electricity Board) for the sale of electrical energy from Matara, Pannala and Maho Solar Power PV Plant to National Grid for a period of 20 years. The capacity of power potential 3000kW.

The sub subsidiary PAP Solar One (Pvt) Ltd, operate 4000 kW rooftop solar projects in Kohuwala, Kolonna and 6 projects in Kurunegala District. The company entered into an agreement to generate and supply solar power to National Grid for 20 years.

Details of commissioning solar power plants of PAP Solar One (Pvt) Ltd are as follows;

Project	Date of commissioning	Capacity (kWp)
Kolonna	29 August 2018	305
Kohuwala	27 September 2018	345
Mawathagama I	24 June 2019	720
Mawathagama II	31 May 2019	495
Malsiripura	24 May 2019	355
Narammala	03 July 2019	320
Palapathwala	19 September 2019	775
Uhumeeya	28 March 2019	615

The sub subsidiary Rajarata Sustainable Development (Pvt) Ltd, completed construction of 2500 kWp rooftop solar projects in Anuradhapura District. The company has entered into agreements to generate and supply solar power to National Grid for 20 years for one 1250 kWp project.

The sub subsidiary Finergreen Rajarata (Pvt) Ltd, completed construction of 2500 kWp rooftop solar projects in Anuradhapura District and accordingly commissioned. The company has entered into agreements to generate and supply solar power to National Grid for 20 years.

The joint venture company Powergen One (Pvt) Ltd, operate 400 kW rooftop solar project in Boralasgamuwa and entered into an agreement to generate and supply solar power to National Grid for 20 years and the project was commissioned on 23 April 2020.

During the financial year, the following solar power plants of the Group's sub-subsidiaries were commissioned and connected to the National Grid.

PAP EGSS Solar (Pvt) Ltd entered into standardised power purchase agreements with the National System Operator (pvt) Ltd. (formerly known as Ceylon Electricity Board) for the sale of electrical energy generated from the Anuradhapura, Hiyare and Baddegama Solar PV Power Plants to the National Grid for a period of 20 years. The combined generation capacity of these plants is 15,000 kW and the plants were commissioned to the National Grid on 05 June 2025, 29 August 2025 and 30 December 2025, respectively.

PAP PTS Solar (Pvt) Ltd (which was amalgamated with PAP SPGM Solar (Pvt) Ltd with effect from 31 March 2026) entered into Standardised Power Purchase Agreements with the National System Operator (pvt) Ltd. (formerly known as Ceylin Electricity Board) for the sale of electrical energy generated from Maho and Matara solar PV power plants to the National Grid for a period of 20 years. The combined generation capacity of these plants is 10,000 kW and the plants were commissioned to the National Grid on 20 June 2025 and 17 November 2025, respectively.

PAP MHPL Solar (Pvt) Ltd entered into standardised power purchase agreements with the National System Operator (pvt) Ltd. (formerly known as Ceylon Electricity Board) for the sale of electrical energy generated from the Kurunegala and Ampara solar PV power plants to the National Grid for a period of 20 years. The combined generation capacity of these plants is 10,000 kW and the plants were commissioned to the National Grid on 14 July 2025 and 17 October 2025, respectively.

1.5 Parent Enterprise and Ultimate Parent Enterprise

The company's controlling entity and ultimate parent undertaking is R I L Property PLC which is incorporated in Sri Lanka.

2. Basis of Preparation

2.1 Statement of Compliance

The consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards promulgated by CA Sri Lanka, and with the requirements of the Companies Act No. 07 of 2007.

2.2 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements is set out in the Statement of Directors' Responsibility Report in the Annual Report.

2.3 Basis of Measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for:

– Financial instruments reflected as fair value through profit or loss which are measured at fair value.

Where appropriate, the specific policies are explained in the succeeding notes.

No adjustments have been made for inflationary factors in the Consolidated Financial Statements.

2.4 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (LKR), which is also the company's functional currency.

2.5 Materiality and Aggregation

Each material class of similar items is presented separately in the Consolidated Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.6 Comparative Information

Comparative information, including quantitative, narrative and descriptive information as relevant, is disclosed in respect of previous period in the Financial Statements.

In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in Financial Statements.

The presentation and classification of the Financial Statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

2.7 Offsetting

Assets and liabilities or income and expenses are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.8 Use of Estimates, Judgements and Assumptions

The preparation of Financial Statements of the Group in conformity with Sri Lanka Accounting Standards requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and reported values of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making a judgment about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most material effect on the amounts recognised in the Financial Statements, is stated below:

2.8.1 Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. The assessment includes the existing and anticipated effects from the present macroeconomic conditions, the circumstances of the external environment, or are inconsistent with historical trends.

Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern, and the management do not intend either to liquidate or to cease operations of the Group. Therefore, the Financial statements continue to be prepared on the going concern basis .

2.8.2 Useful Lives of Depreciable Assets

Management reviews its estimation of the useful lives of depreciable assets at each reporting date based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the useful life of certain property, plant and equipment.

2.8.3 Defined Benefit Obligation

The present value of the defined benefit obligation is calculated by independent actuaries using projected unit credit method as recommended by LKAS – 19 Employee Benefits

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and staff turnover rates.

Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates. Further details about employee benefit obligation are provided in Note 30 to the Financial Statements.

2.8.4 Fair Value of Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

2.8.5 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values. Company assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of SLFRS's, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the company's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Further information about assumptions made in measuring fair values is included in the respective notes to the Consolidated Financial Statements.

2.8.6 Uncertain Tax Treatment Relating to Enhanced Capital Allowances

Significant judgement was exercised in determining the tax treatment relating to the enhanced capital allowance claim arising from the amalgamation of PAP PTS Solar (Pvt) Ltd and PAP SPGM Solar (Pvt) Ltd.

The Group claimed enhanced capital allowances under Section 16 read together with the second schedule to the Inland Revenue Act No. 24 of 2017 on the basis that the amalgamated entity is entitled to aggregate the qualifying investments made by both amalgamating entities in determining whether the minimum investment threshold of USD 3 million has been met.

As the Inland Revenue Act does not provide specific guidance regarding the applicability of enhanced capital allowances to amalgamated entities, significant judgement was required in interpreting the relevant provisions of the Inland Revenue Act and the Companies Act, No. 7 of 2007.

In applying IFRIC 23 – Uncertainty Over Income Tax Treatments, management assessed the uncertain tax treatment using the "most likely amount" method. In making this assessment, management considered the legal effect of the amalgamation under the Companies Act, the relevant tax provisions, independent external tax advice obtained, and the likelihood of acceptance by the Inland Revenue Department.

Based on this assessment, management concluded that recognition of 50% of the enhanced capital allowance claim represents the most appropriate estimate of the tax benefit expected to be realised. Accordingly, a deferred tax asset amounting to LKR 217.8 Mn. has been recognised as at 31 March 2026.

The final outcome of this matter is subject to the interpretation and acceptance of the Inland Revenue Department or any future judicial determination. Accordingly, actual outcomes may differ from the estimates applied, and such differences may have a material impact on future income tax expense, deferred tax balances and non-controlling interests.

Further details relating to this uncertain tax treatment and the related sensitivity analysis are disclosed in Note 33.1.3

3. Material Accounting Policies

The accounting policies set out below have been applied consistently for all periods presented in the Financial Statements by the Group and the company unless otherwise indicated.

3.1 Basis of Consolidation

The Consolidated Financial Statements encompass the company, its subsidiaries (together referred to as the "Group") and the Group's interest in equity accounted investee (Joint Venture).

Subsidiaries and equity accounted investee are disclosed in Note 19 to the Financial Statements.

3.1.1 Business Combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

3.1.2 Subsidiaries

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee which includes; the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Financial Statements of subsidiaries are included in the consolidated Financial Statements from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

3.1.3 Non-controlling Interest

For each business combination, the Group elect to measure any non- controlling interest in the acquiree either,

- At fair value
- At their proportionate share of the acquirer's identifiable assets, which are generated at fair value.
- Change in the Group's interest in a subsidiaries that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners.

Adjustment to non-controlling interests are based on a proportionate amount or the net amount of the subsidiaries.

3.1.4 Interests in Equity-Accounted Investee

The Group's interests in equity-accounted investee comprise interests in a joint venture a joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

3.1.5 Reporting Date

Group's subsidiaries have the same reporting period as the parent company.

3.1.6 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the Consolidated Financial Statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.1.7 Loss of Control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.18 Current versus Non-current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is Current When:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2 Foreign Currencies

3.2.1 Foreign Currency Transactions

The Financial Statements of the Group are presented in Sri Lankan Rupees, which is the functional and presentation currency of the Group.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the reporting currency at the exchange rate that prevailed at the date the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of profit or loss, except for differences arising on the retranslation of FVOCI equity investments, a financial liability designated as a hedge of

the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in statement of other comprehensive income.

Foreign currency gains and losses are reported on a net basis in the statement of profit or loss.

3.3 Financial Instruments

3.3.1 Financial Assets

(i) Recognition and Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; fair value through other comprehensive income (FVOCI) – equity investment; or fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Group financial assets classified and measured at amortised cost are investments in preference shares, trade and other receivables and cash and cash equivalent.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- The Group has not designated any debt instruments as FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has designated investment in unit trust as FVTPL

- Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

– The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– How the performance of the portfolio is evaluated and reported to the company's management;

– The risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed;

– How managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and,

– The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

- Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest.

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 and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Group and company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

- Financial assets – Subsequent measurement and gains and losses

Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial Assets at Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to statement of profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in statement of other comprehensive income and are never reclassified to statement of profit or loss.

3.3.2 Financial liabilities -Classification, Subsequent Measurement and Gain and Losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held – for – trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.3.3 Derecognition

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains

substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.3.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3.3.5 Non-Derivative Financial Liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other liabilities are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument. The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise interest-bearing borrowings, bank overdrafts, amount due to related parties, security deposits, trade and other payables and other financial liabilities due to customers. 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 statement of cash flows.

3.3.6 Derivative Financial Instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially measured at fair value; any directly attributable transaction costs are recognised in statement of profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

However, Group does not have any derivative liabilities.

3.3.7 Impairment of Financial Assets

The Group recognises loss allowances for ECLs on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Equity investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the company to actions such as realising security (if any is held); or
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

- 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

- **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; an financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

- **Credit-Impaired Financial Assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

- **Presentation of Allowance for ECL in the Statement of Financial Position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

- **Write-Off**

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures to recovery of amounts due.

3.4 Leases

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

3.4.1 Rights-of-Use Assets

The Group recognises 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 re-measurement 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 shorter of the lease term and the estimated useful lives of the assets.

3.4.2 Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in note 31.

3.4.3 Short-term Leases and Leases of Low-Value Assets

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.5 Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3.6. Property, Plant and Equipment

The company applies the requirements of LKAS 16 on 'Property Plant and Equipment' in accounting for its owned assets which are held for and use in the provision of the services or for administration purpose and are expected to be used for more than one year.

3.6.1 Recognition and Measurement

Property, plant and equipment is recognised if it is probable that future economic benefit associated with the assets will flow to the company and cost of the asset can be reliably measured.

Items of property, plant & equipment are measured at cost net of accumulated depreciation and accumulated impairment losses.

3.6.1.1 Owned Assets

The cost of property, plant & equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and includes the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

3.6.2 Significant Components of Property Plant and Equipment

When parts of an item of property, plant and equipment have different useful lives than the underlying asset, they are identified and accounted separately as major components of property, plant and equipment and depreciated separately based on their useful life.

3.6.3 Subsequent Cost

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing a part of an item, when it is probable that the future economic benefits embodied in the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of the parts that are replaced are derecognised from the cost of the asset. The cost of day-to-day servicing of property, plant and equipment are recognised in the income statement as and when incurred.

3.6.4 Depreciation

Depreciation is recognised in the statement of profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or on the date that the asset is disposed. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of property, plant and equipment of the Group are as follows:

Office equipment	4 years
Furniture and fittings	4 years
Tools and equipment	4 years
Staff Quarters	20 years
Buildings and Structures	20 years
Motor vehicles	4 years

Civil Construction

Intake weir	35 – 37 years
Headrace channel	35 – 37 years
De-silting tank	38 – 42 years
Spillway gate	32 – 37 years
Forebay tank	37 – 38 years
Penstock	35 – 37 years
Power house	35 – 37 years
Rest rooms	35 – 37 years

Electro Mechanical Equipment

Turbines	21 – 43 years
Generators	23 – 43 years
Transformers and Power Lines	25 – 40 years
Voltage Panel	23 – 40 years
Crane	23 – 40 years

Solar Power Plant

Ground solar plants	20 years
Rooftop solar power plants	20 years

The cost of replacement of components of assets recognised in the carrying amount of property, plant and equipment is depreciated over the balance useful life of the asset.

Depreciation methods, useful lives and the residual values are reviewed at each reporting date and adjusted accordingly.

3.6.5 De-Recognition

The carrying amount of an item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in statement of profit or loss when item is derecognised.

3.6.6 Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.

3.7 Intangible Assets

3.7.1 Initial Recognition and Measurement

The Group recognises intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately acquired intangible assets are measured on initial recognition at cost. The cost of such separately acquired intangible assets include the purchase price, import duties, non-refundable purchase taxes and any directly attributable cost of preparing the asset for its intended use.

The cost of intangible assets acquired in a business combination is the fair value of the asset at the date of acquisition.

The cost of an internally generated intangible asset arising from the development phase of an internal project which is capitalised includes all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Management. Other development expenditure and expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding is expensed in the income statement as and when incurred.

3.7.2 Subsequent Costs

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

3.7.3 Subsequent Measurement

After initial recognition an intangible asset is stated at its costs less any accumulated amortisation and any accumulated impairment losses.

The useful economic life of an intangible asset is assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.7.4 Intangible Assets Recognised by the Group

3.7.4.1 Computer Software

All computer software costs incurred and licensed for use by the Group, which does not form an integral part of related hardware, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

The Group amortises computer software over period of 3-4 years.

3.7.4.2 Right to Generate Hydropower

Right to generate hydropower, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets.

The company amortises the intangible asset over 20 years on a straight-line basis in Panasian Power PLC.

3.7.4.3 Right to Generate Solar Power

Right to generate solar power, which can be clearly identified and reliably measured with the probability of leading to future economic benefits, are capitalised under intangible assets

The Group amortises the intangible asset over 20 years on a straight-line basis.

3.8 Impairment – Non-Financial Assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of such assets are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset Group that generates cash flows that are largely independent from other assets. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units on acquisition of subsidiaries are allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to reduce the carrying amount of the other assets in the unit (or Group of Units) on a pro rata basis.

3.8.1 Calculation of Recoverable Amount

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

3.8.2 Reversal of Impairment

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are recognised in the income statement.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value (NRV). Cost of inventories is based on a weighted average cost. The cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

3.10 Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management

3.11 Liabilities and Provisions

Liabilities classified as current liabilities in the statement of financial position are those which fall due for payment on demand of the creditor or within one year of the reporting date. Non-current liabilities are those balances that become repayable after one year from the reporting date.

All known liabilities have been accounted for in preparing the Financial Statements.

3.11.1 Financial Liabilities

All financial liabilities are recognised at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings, financial guarantee contracts and amounts due to equity accounted investees.

3.11.2. Loans and Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

3.11.3. Borrowing Cost Capitalisation

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 capitalised as part of the cost of the respective assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

3.12 Provisions

A provision is recognised if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses. "Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small."

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.12.1 Restoration Provision

A provision for restoration costs is recognised when the company has a present legal or constructive obligation to restore or reinstate a site or asset as a result of a past event, and it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be reliably estimated.

The provision is measured based on the best estimate of the expenditure required to settle the obligation at the reporting date.

Costs relating to the restoration or reinstatement of property, plant and equipment which are expected to provide future economic benefits to the company are capitalized as part of property, plant and equipment. Such capitalized costs are depreciated over the remaining useful life of the related asset.

The provision is reviewed at each reporting date and adjusted to reflect the current best estimate of the obligation.

3.13 Employee Benefits

3.13.1 Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.13.2 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed employee benefit contribution into a separate entity and will have no further legal or constructive obligations to pay any additional amounts. Obligations for contributions to a defined contribution plan are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

3.13.2.1 Employee Provident Fund and Employee Trust Fund

The Group contributes a sum not less than 12% of the gross emoluments of employees employed in Sri Lanka as provident fund benefits and 3% as trust fund benefits.

3.13.3 Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually using the projected unit credit method by qualified actuary as recommended by LKAS-19. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates that are denominated in the currency in which the benefits will be paid, and that have terms of maturity approximating to the terms of the liability.

Provision has been made in the Financial Statements for retiring gratuities from the first year of service for all employees.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for payment to an employee arises only after the completion of 5 years' continued service.

The liability is not externally funded.

Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the statement of other comprehensive income as they occur.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past.

3.14 Revenue

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has several operating segments which are described In Note 7 to these Financial statements. In all operating segments, the Group has generally concluded that it is the principal in its revenue arrangements.

3.14.1 Sales of Electricity

The company generates and supplies electricity to the National System Operator (Pvt) Ltd and Electricity Distribution Lanka (Pvt) Ltd (formerly known as the Ceylon Electricity Board) under contractual arrangements, including standard power purchase agreements.

Revenue from sales electricity is recognised at a point in time upon delivery of energy from the power plant to the metering point, as this represents the moment at which control of the electricity is transferred to the customer and the company satisfies its performance obligation.

Delivery of electrical energy is deemed complete when the electrical energy meets the specifications set out in the applicable power purchase agreement and is received at the metering point. Revenue is subject to monthly adjustments for transmission line losses based on meter readings received from the power purchasing company.

As per the standard power purchase agreement, the power plants are operated as "must-run" facilities, and the tariff or price is governed by the same agreement.

Revenue is measured based on the units of energy delivered in accordance with the applicable tariff rates. Sales are generally made on credit terms.

3.14.2 Sale of Solar Panels and Inverters

The company sells solar panels, inverters and related equipment to customers on both cash and credit terms.

Revenue from the sale of solar panels and inverters is recognised at the point in time when control of the goods is transferred to the customer, which is generally upon delivery and acceptance of the goods by the customer. The amount recognised as revenue reflects the consideration to which the company expects to be entitled in exchange for the goods supplied.

3.15 Expenditure

Expenses are recognised in the statement of profit or loss on the basis of a direct association between the cost incurred and the earnings of specific items of income. All expenditure incurred in the running of the business has been charged to income in arriving at the profit for the year. For the purpose of presentation of the statement of profit or loss, the function of expenses method is adopted.

3.16 Finance Income

Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial assets at fair value through profit or loss, that are recognised in the Statement of Profit or Loss. Interest income is recognised as it accrues in the Statement of Profit or Loss.

3.17 Finance Cost

Finance cost comprise interest expense on borrowings and interest on lease liabilities that are recognised in the Statement of Profit or Loss.

3.18 Tax expense

Income tax expense comprises of current tax and deferred tax. The income tax expense is recognised in the income statement except to the extent that it relates to the items recognised directly in the statement of other comprehensive income or statement of changes in equity, in which case it is recognised directly in the respective statements.

The Group has determined that interest and penalties related to income taxes, including certain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under LKAS 37 Provisions, Contingent Liabilities and Contingent Assets.

3.18.1 Current Tax

The current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provisions of the Inland Revenue Act No .24 of 2017 as amended.

Taxation for the current and previous periods to the extent unpaid is recognised as a liability in the Financial Statements. When the amount of taxation already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset in the Financial Statements.

Group companies, excluding those which enjoy a tax holiday or concessionary tax rates, were liable to income tax during the year of assessment 2025/26 at the rate of 30%.

3.18.2 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.
- Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.
- The measurement of deferred tax reflects the consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this assumption.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.18.3 IFRIC interpretation 23 uncertainty over income tax treatment

The Interpretation addresses the accounting for income taxes where tax treatments involve uncertainty that affects the application of LKAS 12 – Income Taxes. The Interpretation does not apply to taxes or levies outside the scope of LKAS 12, nor does it specifically address requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately or together with one or more other uncertain tax treatments
- The assumptions an entity makes regarding the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments based on the approach that better predicts the resolution of the uncertainty.

In applying the Interpretation, the Group assessed whether its tax treatments, including those relating to subsidiaries, are probable of being accepted by the taxation authorities. Where it is concluded that the acceptance of a particular tax treatment is uncertain, the Group recognises and measures the related tax position based on either the most likely

amount method or the expected value method, depending on which method better predicts the resolution of the uncertainty.

Accordingly, the Group identified an uncertain tax treatment relating to the claim of enhanced capital allowances by the amalgamated entity, and the related impact has been recognised in these Financial Statements in accordance with IFRIC 23. Further details are disclosed in note 33.1.2.

3.19 Statements of cash flows

The statement of cash flows has been prepared using the "indirect method" in accordance with LKAS 7 -"statement of cash flows".

Cash and cash equivalents comprise short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The cash and cash equivalents include cash in-hand, balances with banks and short term deposits with banks.

Interest paid is classified as operating cash flows, interest received are classified as investing cash flows, while dividends paid are classified as financing cash flows for the purpose of presenting the cash flow statement.

3.20 Contingencies and capital commitments

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which not wholly within control of the Group.

Commitments and Contingent liabilities are disclosed in Note 40 to the Financial Statements.

3.21 Earnings per share

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.22 Events occurring after the reporting date

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the Financial Statements.

3.23 Operating Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Chairman and the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chairman include items directly attributable to a segment as well as those that can be allocated on a reasonable basis .

4. Changes in Material Accounting Policies

The accounting policies adopted by the Group have been applied consistently to all periods presented in these Financial Statements, except for the change in accounting policy described below.

4.1 Measurement of Property, Plant and Equipment

During the year, the Group changed its accounting policy for the subsequent measurement of Lands, hydropower plants and solar power plants from the revaluation model to the cost model in accordance with LKAS 16 – Property, Plant and Equipment.

Under the cost model, hydropower plants and solar power plants are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Management has concluded that the cost model provides information that is more reliable and relevant to the users of the Financial Statements. The determination of fair values for hydropower plants and solar power plants involves significant estimation uncertainty and judgment, which may result in fluctuations in the carrying amounts of these assets that do not necessarily reflect their underlying operational performance or the pattern in which future economic benefits are consumed.

As these assets are held for use in the generation of electricity and not for sale, fair value information is considered less relevant for decision-making purposes. Accordingly, the adoption of the cost model enhances the consistency, comparability and reliability of the Group's financial reporting by reducing volatility arising from periodic revaluations of these operational assets.

The detailed rationale for the change in accounting policy, together with the quantitative impact assessment and related disclosures arising from the retrospective application of the change, are presented in Note 15.11 & 15.12 to these Financial Statements.

5. New and Amended Standards Issued but not Effective as at the Reporting Date

The new and amended standards that are issued, but not yet effective to the date of issuance of these Financial Statements are disclosed below. None of the new or amended pronouncements are expected to have a material impact on the Financial Statements of the company in the foreseeable future. The company intends to adopt these amended standards, if applicable, when they become effective.

5.1 SLFRS 17 Insurance Contracts

SLFRS 17 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation, and disclosure. It replaces SLFRS 4 and applies to all types of insurance contracts—including life, non-life, direct insurance, reinsurance—as well as certain guarantees and financial instruments with discretionary participation features:

The standard is built around the General Measurement Model, supported by two supplementary approaches:

- Variable Fee Approach (VFA): for contracts with direct participation features
- Premium Allocation Approach (PAA): a simplified model mainly for short-duration contracts

SLFRS 17 is effective for annual reporting periods beginning on or after 1 January 2026, with comparative figures required. Early adoption is allowed if the entity also applies SLFRS 9 Financial Instruments and SLFRS 15 Revenue from Contracts with Customers by the date SLFRS 17 is first applied.

SLFRS 17 does not have a material impact on the Financial Statements.

5.2 SLFRS 18 Presentation and Disclosure in Financial statements

SLFRS 18, which replaces LKAS 1, introduces significant enhancements to the way financial information is organised and communicated. The standard establishes new categories and subtotals in the statement of profit or loss to improve consistency and comparability across entities. It also requires entities to disclose management-defined performance measures (as specified in the standard), together with clear explanations and reconciliations. In addition, SLFRS 18 introduces strengthened requirements regarding the location, aggregation, and disaggregation of financial information. These changes are designed to ensure that Financial Statements present information more transparently and in a way that enhances users' understanding of an entity's financial performance and position.

SLFRS 18, and consequential amendments to the other accounting standards, are effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 18 on the Financial Statements and the related notes is currently being identified and evaluated.

5.3 SLFRS 19 Subsidiaries without public accountability: Disclosures

SLFRS 19 introduces reduced disclosure requirements for subsidiaries that do not have public accountability but continue to apply the full SLFRS recognition and measurement principles.

The purpose of SLFRS 19 is to lessen the financial reporting burden on qualifying subsidiaries by simplifying disclosure requirements, while still ensuring that Financial Statements remain high-quality, consistent, and comparable for users.

SLFRS 19 applies to Specified Business Enterprises, as defined in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. Subsidiaries that fall within this category and do not have public accountability are eligible to apply SLFRS 19.

The Standard becomes effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted.

The potential impact of SLFRS 19 is currently being identified and evaluated.

5.4 Classification and Measurement of Financial Instruments - Amendments to SLFRS 9 and SLFRS 7

The amendments introduce enhancements to the classification, measurement, derecognition, and disclosure requirements for financial instruments. Their objective is to strengthen transparency, promote greater consistency in financial reporting, and respond to emerging market developments – particularly features such as sustainability-linked terms and nature-dependent electricity contracts.

These amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

The amendments are not expected to have a material impact on the Financial Statements.

6. Revenue

6.1 Revenue from Contracts with Customers

For the year ended 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Supply of electricity	**1,728,245,987**	854,557,606	**96,694,520**	109,005,550
Sale of solar inverters	**238,854,196**	175,707,979	**–**	–
Sale of solar panels	**16,475,070**	165,340,121	**–**	–
Income from rooftop solar projects	**21,349,266**	184,469,031	**–**	–
Service income	**3,352,622**	2,581,029	**–**	–
	2,008,277,141	1,382,655,766	**96,694,520**	109,005,550

6.2 Billing under the Standardised Power Purchase Agreement

For the year ended 31 March	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Billing under the standardised power purchase agreement	6.2.1	**236,578**	160,072,034	**69,990**	34,986,267
		236,578	160,072,034	**69,990**	34,986,267

6.2.1 The Company has recorded the additional payment received from National System Operator (Pvt) Ltd (NSO) (formerly known as Ceylon Electricity Board) as "Billing under the standardised power purchase agreement" which were recorded and billed as per the provision of standardised power purchase agreement with NSO.

For the year ended 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Panasian Power PLC	**69,990**	34,986,267	**69,990**	34,986,267
Padiyapelella Hydropower Ltd	**45,774**	18,864,074	**–**	–
Manelwala Hydropower (Pvt) Ltd	**120,814**	68,193,042	**–**	–
Solar Power Generation Matara (Pvt) Ltd	**–**	14,819,798	**–**	–
Eco Green Solar Solutions (Pvt) Ltd	**–**	9,545,940	**–**	–
Panthree Solaro Energy (Pvt) Ltd	**–**	13,662,913	**–**	–
	236,578	160,072,034	**69,990**	34,986,267

6.3 Revenue from Contracts with Customers – Segment Analysis

For the year ended 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Hydropower	**242,153,373**	498,005,746	**96,694,520**	109,005,550
Solar power	**1,486,092,614**	356,551,860	**–**	–
Engineering, Procurement and Construction (EPC)	**280,031,154**	528,098,160	**–**	–
	2,008,277,141	1,382,655,766	**96,694,520**	109,005,550

6. Revenue (Cont'd)
6.3 Revenue from Contracts with Customers – Segment Analysis (Cont'd)

6.3.1 The Group identified hydropower, solar power and engineering, procurement and construction (EPC) as separate business segments.

6.4 The revenue from contracts with customers recognise follows:

	Group		Company	
For the year ended 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Revenue over a period-of-time	**1,731,759,627**	962,944,564	**96,694,520**	109,005,550
Revenue earned at a point-in-time	**276,517,514**	419,711,202	**–**	–
	2,008,277,141	1,382,655,766	**96,694,520**	109,005,550

7. Segmental Information

The Group identified hydropower, solar power and engineering, procurement and construction (EPC) as business segments and the below information is based on these primary segments.

Hydropower

Represent the Group's major continuing line of business. This includes two fully-owned mini-hydro plants and one with ownership of 83%. Operational hydropower plants have an aggregate capacity of 9.8 MW. Aggregate operational results, assets and liabilities of the mini-hydropower plants are presented under this segment.

Solar power

This includes eighteen fully-owned and seven projects with ownership of 51% operational solar power plants with an aggregate capacity of 48.1 MW and 0.4 MW in operation under joint venture arrangements. Aggregate operational results, assets and liabilities of solar power plants are presented under this segment. In addition to operational plants, capital work in progress represent of the Group's solar power plants under construction and their liabilities are aggregated under this segment.

Engineering, Procurement and Construction (EPC)

This segment represents the engineering, procurement and construction of rooftop solar power plants and the sale of solar inverters, panels and other accessories to third party customers. A fully owned subsidiary company, Panasian Investments (Pvt) Ltd and Panasian Solar (Pvt) Ltd are engaged in the import and selling of solar systems for end consumers.

7.1 Business Segments

For the year ended 31 March
Revenue from contracts with customers
Billing under the standardised power purchase agreement
Cost of sales
Results from EBITDA
Depreciation and amortisation
Finance income
Finance expenses
Share of (loss)/profit of equity accounted investees – joint venture
(Loss)/profit before taxation
Income tax reversals/(expenses)
Profit/(loss) for the year
Other comprehensive income for the year
– Re-measurement of retirement benefit obligation
– Deferred tax effect on re-measurement on retirement benefit obligation
Total comprehensive income/(loss)
Total comprehensive income/(loss) attributable to:
Owners of the company
Non-controlling interests
Basic earnings per share (LKR)

2026				2025			
Hydropower LKR	Solar power LKR	EPC LKR	Group LKR	Hydropower (Restated) LKR	Solar power (Restated) LKR	EPC (Restated) LKR	Group (Restated) LKR
242,153,373	**1,486,092,614**	**280,031,154**	**2,008,277,141**	498,005,746	356,551,860	528,098,160	1,382,655,766
236,578	**–**	**–**	**236,578**	122,043,383	38,028,651	–	160,072,034
242,389,951	**1,486,092,614**	**280,031,154**	**2,008,513,719**	620,049,129	394,580,511	528,098,160	1,542,727,800
(120,176,816)	**(331,070,659)**	**(240,697,589)**	**(691,945,064)**	(92,045,481)	(138,276,962)	(453,529,188)	(683,851,631)
(1,836,165)	**1,235,707,286**	**(11,451,192)**	**1,222,419,929**	468,429,997	281,794,920	9,060,931	759,285,848
(48,920,584)	**(239,158,005)**	**(2,644,259)**	**(290,722,848)**	(56,933,777)	(106,688,719)	(2,380,305)	(166,002,801)
4,411,304	**36,851,175**	**1,765,391**	**43,027,870**	11,589,576	29,140,277	2,484,271	43,214,124
(26,566,446)	**(444,026,897)**	**(7,566,481)**	**(478,159,824)**	(40,404,396)	(181,923,076)	(12,349,933)	(234,677,405)
–	**(879,804)**	**–**	**(879,804)**	–	3,059,113	–	3,059,113
(72,911,891)	**588,493,755**	**(19,896,541)**	**495,685,323**	382,681,400	25,382,515	(3,185,036)	404,878,879
96,471,239	**1,021,856,005**	**336,175**	**1,118,663,419**	(150,351,202)	17,222,006	605,720	(132,523,476)
23,559,348	**1,610,349,760**	**(19,560,366)**	**1,614,348,742**	232,330,198	42,604,521	(2,579,316)	272,355,403
2,351,336	**30,233**	**206,581**	**2,588,150**	(3,181,603)	(7,901)	13,989	(3,175,515)
(628,070)	**(9,070)**	**(61,974)**	**(699,114)**	839,037	2,370	(4,197)	837,210
25,282,614	**1,610,370,923**	**(19,415,759)**	**1,616,237,778**	229,987,632	42,598,990	(2,569,524)	270,017,098
6,019,343	**851,929,122**	**(19,415,759)**	**838,532,706**	200,043,954	42,598,990	(2,569,524)	240,073,420
19,263,271	**758,441,801**	**–**	**777,705,072**	29,943,678	–	–	29,943,678
25,282,614	**1,610,370,923**	**(19,415,759)**	**1,616,237,778**	229,987,632	42,598,990	(2,569,524)	270,017,098
			1.34				0.40

7. Segmental Information (Cont'd)

7.2 Segmental Balance Sheet

The following table presents segments assets and liabilities of the Group's business segments.

As at 31 March	2026			
	Hydropower	Solar power	EPC	Group
	LKR	LKR	LKR	LKR
Assets				
Non-current assets				
Property, plant and equipment	990,721,482	6,583,415,235	5,025,967	7,579,162,684
Capital work-in-progress	71,591,071	11,468,836	–	83,059,907
Right of use assets	28,461,457	54,802,471	–	83,263,928
Intangible assets	2,244,074	67,035,413	–	69,279,487
Investment in subsidiaries	1,578,594,315	932,367,816	259,000,010	2,769,962,141
Investment in preference shares	250,466,208	–	–	250,466,208
Investment in equity accounted investee	–	–	14,586,054	14,586,054
Other non-financial assets	–	–	–	–
Deferred tax assets	7,300,476	1,115,124,793	2,393,148	1,124,818,417
Segmental non-current assets	2,929,379,083	8,764,214,564	281,005,179	11,974,598,826
Eliminations/adjustments	–	–	–	(3,671,822,493)
Total non-current assets	2,929,379,083	8,764,214,564	281,005,179	8,302,776,333
Current assets				
Inventories	49,983,197	4,661,313	84,911,000	139,555,510
Financial assets at fair value through profit or loss	31,339,181	137,040,916	–	168,380,097
Trade and other receivables	132,964,459	634,907,831	67,161,480	835,033,770
Amount due from related companies	541,043,824	191,529,857	6,711,672	739,285,353
Income tax receivable	906,834	29,192	5,513,151	6,449,177
Other financial assets	11,473,973	35,049,619	11,232,123	57,755,715
Cash and cash equivalents	46,203,007	85,587,731	30,314,792	162,105,530
Segmental current assets	813,914,475	1,088,806,459	205,844,218	2,108,565,152
Eliminations/adjustments	–	–	–	(750,167,512)
Total current assets	813,914,475	1,088,806,459	205,844,218	1,358,397,640
Total assets	3,743,293,558	9,853,021,023	486,849,397	9,661,173,973
Non-current liabilities				
Retirement benefit obligation	19,248,244	283,106	455,658	19,987,008
Lease liabilities	22,194,299	56,490,839	–	78,685,138
Interest bearing loans and borrowings	56,000,000	4,763,421,657	–	4,819,421,657
Deferred tax liabilities	9,430,067	215,163,749	–	224,593,816
Loan due to related company	–	–	–	–
Total non-current liabilities	106,872,610	5,035,359,351	455,658	5,142,687,619

2025				2024			
Hydropower (Restated) LKR	Solar power (Restated) LKR	EPC (Restated) LKR	Group (Restated) LKR	Hydropower (Restated) LKR	Solar power (Restated) LKR	EPC (Restated) LKR	Group (Restated) LKR
1,034,901,436	1,744,973,583	7,521,921	2,787,396,940	1,030,128,494	1,663,579,877	6,645,169	2,700,353,540
12,741,230	1,613,677,497	–	1,626,418,727	24,293,475	94,098,317	–	118,391,792
41,064,625	57,492,690	–	98,557,315	23,239,702	55,990,434	–	79,230,136
2,415,457	68,887,517	–	71,302,974	2,206,370	73,258,345	–	75,464,715
1,533,494,304	766,903,356	259,000,010	2,559,397,670	1,273,394,324	266,903,346	113,000,010	1,653,297,680
250,466,208	–	–	250,466,208	250,466,208	–	4,153,902	254,620,110
–	–	15,465,858	15,465,858	–	–	12,984,162	12,984,162
22,115,150	–	–	22,115,150	6,115,150	–	–	6,115,150
86,389	23,160	2,118,947	2,228,496	–	–	793,477	793,477
2,897,284,799	4,251,957,803	284,106,736	7,433,349,338	2,609,843,723	2,153,830,319	137,576,720	4,901,250,762
–	–	–	(3,060,643,752)	–	–	–	(1,903,763,888)
2,897,284,799	4,251,957,803	284,106,736	4,372,705,586	2,609,843,723	2,153,830,319	137,576,720	2,997,486,874
28,779,970	1,253,929	69,298,093	99,331,992	28,195,933	1,031,367	157,840,435	187,067,735
38,204,823	–	–	38,204,823	30,936,127	–	–	30,936,127
145,142,244	197,799,257	91,814,439	434,755,940	154,871,704	70,887,570	95,300,964	321,060,238
800,973,198	605,052,811	43,343,560	1,449,369,569	1,067,231,366	514,210,000	189,402,893	1,770,844,259
906,834	29,192	5,513,151	6,449,177	906,834	–	–	906,834
–	44,921,648	13,619,348	58,540,996	–	–	–	–
219,572,657	851,181,265	43,730,883	1,114,484,805	122,584,198	273,487,171	74,475,767	470,547,136
1,233,579,726	1,700,238,102	267,319,474	3,201,137,302	1,404,726,162	859,616,108	517,020,059	2,781,362,329
–	–	–	(1,499,471,829)	–	–	–	(1,769,913,897)
1,233,579,726	1,700,238,102	267,319,474	1,701,665,473	1,404,726,162	859,616,108	517,020,059	1,011,448,432
4,130,864,525	5,952,195,905	551,426,210	6,074,371,059	4,014,569,885	3,013,446,427	654,596,779	4,008,935,306
17,151,337	84,187	405,750	17,641,274	11,280,038	–	270,132	11,550,170
38,838,488	56,193,605	–	95,032,093	28,528,144	47,260,773	–	75,788,917
141,221,746	2,353,597,252	–	2,494,818,998	262,674,286	916,448,434	–	1,179,122,720
133,062,633	255,488,125	–	388,550,758	120,358,317	314,131,015	174,236	434,663,568
–	–	–	–	–	199,102,645	–	199,102,645
330,274,204	2,665,363,169	405,750	2,996,043,123	422,840,785	1,476,942,867	444,368	1,900,228,020

7. Segmental Information (Cont'd)
7.2 Business Segments (Cont'd)

As at 31 March	2026			
	Hydropower	Solar power	EPC	Group
	LKR	LKR	LKR	LKR
Current liabilities				
Lease liabilities	**16,644,189**	**47,389**	**–**	**16,691,578**
Interest bearing loans and borrowings	**85,221,746**	**936,358,949**	**98,345,475**	**1,119,926,170**
Loan due to related companies	**–**	**–**	**–**	**–**
Amount due to related companies	**129,628,836**	**434,078,655**	**174,931,579**	**738,639,070**
Trade and other payables	**94,396,295**	**122,385,657**	**41,886,447**	**258,668,399**
Provisions	**33,123,334**	**24,431,000**	**–**	**57,554,334**
Income tax payable	**22,539,161**	**67,453,364**	**–**	**89,992,525**
Bank overdrafts	**4,307,378**	**6,335,952**	**781,452**	**11,424,782**
Segmental current liabilities	**385,860,939**	**1,591,090,966**	**315,944,953**	**2,292,896,858**
Eliminations/adjustments	**–**	**–**	**–**	**(750,058,076)**
Total current liabilities	**385,860,939**	**1,591,090,966**	**315,944,953**	**1,542,838,782**
Total liabilities	**492,733,549**	**6,626,450,317**	**316,400,611**	**6,685,526,401**

8. Other Operating Income

For the year ended 31 March	Group		Company	
	2026	2025	2026	2025
	LKR	LKR	LKR	LKR
Dividend (reversals)/income	**–**	(138,037)	**109,165,764**	137,483,622
Unclaimed dividend written back	**2,432,169**	–	**2,432,169**	–
Income from carbon credit sales	**–**	2,151,809	**–**	1,125,149
Insurance claim income	**93,483,506**	10,799,401	**–**	–
Foreign exchange gains	**687,982**	3,273,184	**370**	–
Service income	**4,122,903**	833,965	**–**	–
Project consultancy fees	**–**	–	**81,881,134**	–
Profit from disposal of the assets	**13,521,000**	–	**–**	–
Sundry income	**258,073**	–	**–**	–
	114,505,633	16,920,322	**193,479,437**	138,608,771

2025				2024			
Hydropower (Restated) LKR	Solar power (Restated) LKR	EPC (Restated) LKR	Group (Restated) LKR	Hydropower (Restated) LKR	Solar power (Restated) LKR	EPC (Restated) LKR	Group (Restated) LKR
14,536,558	43,642	–	14,580,200	5,600,770	4,537,738	–	10,138,508
112,446,396	206,642,162	23,563,616	342,652,174	173,682,672	153,432,452	143,459,701	470,574,825
–	250,000,000	–	250,000,000	–	–	–	–
169,541,810	1,018,794,093	245,991,267	1,434,327,170	197,750,110	1,377,773,259	182,973,767	1,758,497,136
138,846,581	602,342,207	46,045,936	787,234,724	200,601,269	9,067,038	83,850,007	293,518,314
–	–	–	–	–	–	–	–
79,879,875	41,032,642	–	120,912,517	73,253,573	853,855	5,083,681	79,191,109
48,913,327	13,710,991	2,711,522	65,335,840	33,678,558	1,022,210	–	34,700,768
564,164,547	2,132,565,737	318,312,341	3,015,042,625	684,566,952	1,546,686,552	415,367,156	2,646,620,660
–	–	–	(1,502,549,759)	–	–	–	(1,769,247,706)
564,164,547	2,132,565,737	318,312,341	1,512,492,866	684,566,952	1,546,686,552	415,367,156	877,372,954
894,438,751	4,797,928,906	318,718,091	4,508,535,989	1,107,407,737	3,023,629,419	415,811,524	2,777,600,974

9. Other Operating Expenses

For the year ended 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Intercompany interests write-offs	**–**	–	**42,372,907**	–
Reversals of the inventories to net realisable value (NRV)	**(959,751)**	–	**–**	–
Impairment loss on inventories	**1,401,797**	–	**–**	–
	442,046	–	**42,372,907**	–

10. Finance Income and Expenses

10.1 Finance Income

For the year ended 31 March	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Interest income		**31,991,105**	37,445,428	**6,278,102**	42,981,414
Fair value gain – FVTPL	24	**11,036,765**	5,768,696	**216,318**	104,640
Corporate guarantee commission income		**–**	–	**15,400,000**	12,685,000
Total finance income		**43,027,870**	43,214,124	**21,894,420**	55,771,054

10. Finance Income and Expenses (Cont'd)

10.2 Finance Expenses

For the year ended 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Interest expenses on loans and borrowings	**(456,284,483)**	(225,449,465)	**(23,677,679)**	(25,974,566)
Foreign exchange losses	**–**	(71,728)	**–**	(35,734)
Amortisation of loan processing fees	**(3,027,399)**	(1,633,270)	**(523,004)**	(499,927)
Interest expenses on lease liability	**(7,908,972)**	(4,448,062)	**(716,879)**	(1,044,299)
Bank guarantee charges	**(8,234,492)**	(3,074,880)	**(1,480,000)**	(1,815,384)
Interest cost on retirement benefits obligation	**(1,755,708)**	–	**(1,417,581)**	–
Bank charges	**(948,770)**	–	**–**	–
Total finance expenses	**(478,159,824)**	(234,677,405)	**(27,815,143)**	(29,369,910)
Net finance (expenses)/income	**(435,131,954)**	(191,463,281)	**(5,920,723)**	26,401,144

11. Profit Before Taxation

Profit before taxation is stated after charging all the expenses including the following:

For the year ended 31 March	Notes	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Direct costs					
Staff expenses	11.1	**47,281,454**	39,463,462	**10,960,134**	8,606,062
Insurance		**22,506,439**	14,475,335	**2,326,789**	2,308,365
Repairs and maintenance services		**41,385,883**	8,364,659	**3,795,409**	2,337,524
Depreciation on property, plant and equipment		**268,452,838**	143,414,505	**7,415,795**	7,936,737
Depreciation on right of use assets		**1,655,172**	–	**–**	–
Amortisation of intangible assets		**4,470,898**	4,688,008	**24,996**	317,179
Administrative, selling and distribution expenses					
Depreciation on property, plant and equipment		**9,270,514**	6,255,200	**5,265,200**	2,938,378
Depreciation on right of use assets		**15,293,387**	12,579,714	**2,128,677**	2,475,721
Amortisation of intangible assets		**1,278,137**	667,046	**669,583**	667,046
Donations		**1,735,849**	6,833,166	**95,000**	1,702,634
Directors' remuneration		**26,236,688**	18,944,893	**26,236,688**	4,761,411
Auditors' remuneration					
– Audit fees		**6,653,220**	5,955,764	**2,142,335**	2,269,409
– Non audit fees		**522,823**	332,816	**326,159**	166,408
Staff expenses	11.2	**203,259,278**	139,722,484	**30,231,522**	29,793,599

11. Profit Before Taxation (Cont'd)

11.1 Staff Expenses – Direct Cost

	Group		Company	
For the year ended 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Salaries and wages	**44,850,043**	37,251,980	**10,243,433**	8,074,005
Defined contribution plan cost – EPF and ETF	**2,431,411**	2,211,482	**716,701**	532,057
	47,281,454	39,463,462	**10,960,134**	8,606,062

11.2 Staff Expenses – Administrative Expenses

	Group		Company	
For the year ended 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Short term benefits	**183,591,476**	124,449,153	**23,949,409**	24,321,398
Defined contribution plan cost – EPF and ETF	**15,007,063**	11,628,867	**1,993,662**	2,410,554
Cost of retirement benefit obligation	**4,660,739**	3,644,464	**4,288,451**	3,061,647
	203,259,278	139,722,484	**30,231,522**	29,793,599
Total staff expenses	**250,540,732**	179,185,946	**41,191,656**	38,399,661
Number of employees at year end	**122**	107	**45**	41

11.3 Key Management Personnel Compensation

Key management personnel Comprise the directors and senior managers of the Group. Payments made to key management personnel during the year were as follows:

	Group		Company	
For the year ended 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Short term employment benefits	**97,190,055**	94,170,498	**26,236,688**	22,030,125
	97,190,055	94,170,498	**26,236,688**	22,030,125

12. Income Tax Expense

12.1 Statement of Profit or Loss

For the year ended 31 March	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Current tax expense					
Income tax on current year profit	12.3	**99,705,485**	158,191,246	**8,228,788**	15,710,798
Over provision in respect of previous year		**(1,313,186)**	(3,218,968)	**–**	–
Tax on dividend paid by subsidiaries		**70,190,259**	24,261,816	**–**	–
		168,582,558	179,234,094	**8,228,788**	15,710,798
Deferred tax expense					
Deferred tax (reversals)/expenses	12.4	**(1,287,245,977)**	(46,710,618)	**9,043,048**	(10,612,243)
Deferred tax (reversals)/expenses in statement of profit or loss		**(1,287,245,977)**	(46,710,618)	**9,043,048**	(10,612,243)
Income tax (reversals)/expenses reported in the statement of profit or loss		**(1,118,663,419)**	132,523,476	**17,271,836**	5,098,553

12.2 Recognised in Statement of Other Comprehensive Income

For the year ended 31 March	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Deferred tax effect on re measurement of retirement benefit obligation		**699,114**	(837,210)	**473,408**	(608,146)
		699,114	(837,210)	**473,408**	(608,146)

Income tax and deferred tax have been provided as per the new rates legislated by the Inland Revenue (Amendment) Act No. 24 of 2017. The deferred tax expenses in statement of profit or loss includes LKR 1,287 Mn. deferred tax reversals for the Group and LKR 9 Mn. deferred tax charge for the Company respectively. The deferred tax charge in the statement of other comprehensive income includes (LKR 0.7 Mn.) and (LKR 0.47 Mn.) for the Group and the Company respectively.

12. Income Tax Expense (Cont'd)

12.3 Tax Reconciliation Between Current Tax Charge and the Accounting Profit

	Group		Company	
For the year ended 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Profit before taxation	**495,685,323**	404,878,879	**99,866,847**	203,845,462
Consolidation adjustment	**882,903,838**	345,717,640	**–**	–
Non business income	**(599,358,246)**	(319,485,267)	**(118,092,353)**	(180,569,676)
Aggregate disallowable expenses	**579,672,996**	253,415,477	**73,393,087**	54,513,586
Aggregate allowable expenses	**(1,250,198,751)**	(404,959,481)	**(27,738,287)**	(41,549,929)
Aggregate allowable expenses under the 2nd schedule	**(5,054,232,851)**	–	**–**	–
Taxable (losses)/income from business	**(4,945,527,691)**	279,567,248	27,429,294	36,239,443
Exempt income from business	**(236,547)**	–	–	–
Taxable (losses)/income	**(4,945,764,238)**	279,567,248	27,429,294	36,239,443
Taxable income from business during the year	**469,364,242**	568,493,712	27,429,294	36,239,443
Taxable losses incurred during the year	**(5,415,128,480)**	(288,926,464)	–	–
	(4,945,764,238)	279,567,248	27,429,294	36,239,443
Interest income				
Non business income - liable interest income	**88,081,145**	149,329,551	**6,278,102**	30,832,673
Non business income - dividend income	**1,599,996**	1,599,996	**–**	–
Deductions allowed	**(6,278,103)**	–	**(6,278,103)**	–
Tax loss utilised during the year	**(199,237,587)**	(63,411,935)	**–**	(14,702,790)
Total taxable income	**353,529,693**	656,011,324	**27,429,294**	52,369,326
Taxable income liable at 15%	**1,599,996**	1,599,996	**–**	–
Taxable income liable at 20%	**61,134,241**	383,721,514	**–**	–
Taxable income liable at 30%	**290,795,456**	270,689,814	**27,429,294**	52,369,326
	353,529,693	656,011,324	**27,429,294**	52,369,326
Income tax charged at;				
Tax at 15%	**239,999**	239,999	**–**	–
Tax at 20%	**12,226,848**	76,744,303	**–**	–
Tax at 30%	**87,238,638**	81,206,944	**8,228,788**	15,710,798
Taxation on current year profits	**99,705,485**	158,191,246	**8,228,788**	15,710,798
Effective tax rate	**28%**	24%	**30%**	30%

Group tax expense is based on the taxable profit of individual companies within the Group. At present the tax law of Sri Lanka do not provide for Group taxation.

12. Income Tax Expense (Cont'd)

12.4 Deferred Tax (Reversals)/Expenses

For the year ended 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
(Reversals)/originations of temporary difference arising from				
Property, plant and equipment	**109,584,489**	116,571,571	**12,809,548**	(14,939,335)
Provisions	**(23,206,523)**	2,099,847	**(3,202,510)**	–
Intangible assets	**142,529**	131,333	**142,528**	131,332
Carried forward tax losses	**(1,372,526,565)**	(164,362,220)	**–**	5,260,089
Retirement benefit obligations	**(1,448,000)**	(699,185)	**(1,286,535)**	(637,966)
Leases	**208,093**	(451,964)	**580,017**	(426,363)
	(1,287,245,977)	(46,710,618)	**9,043,048**	(10,612,243)

12.5 Tax Losses Carried Forward

For the year ended 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Tax loss brought forward	**3,324,947,458**	3,123,067,007	**–**	17,533,650
Loss incurred during the year	**5,415,128,480**	288,926,464	**–**	–
Adjustment to tax loss brought forward	**–**	(23,634,078)	**–**	(2,830,860)
Tax loss utilised during the year	**(199,237,585)**	(63,411,935)	**–**	(14,702,790)
	8,540,838,353	3,324,947,458	**–**	–

The Group has tax losses amounting to LKR 8.6 Bn. (2024/25 – 3.3 Bn.) are available to offset against future taxable profit of the companies in which tax losses arose.

12.6 The income tax liability of the companies computed at the standard rate of 30% except for following companies which are having concessionary tax rates.

Company	2026 %	2025 %
Manelwala Hydropower (Pvt) Ltd	20	20
Padiyapelella Hydropower Ltd	20	20

On investment income:

In terms of the Inland Revenue Act No. 24 of 2017 as amended, liable dividends declared are subject to a mandatory final advance income tax of 15% at source.

13. Basic/Diluted Earnings Per Share

13.1 Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

13.2 Diluted Earnings Per Share

The calculation of diluted earnings per share is based on profit attributable to owners of the parent and weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

There were no potentially dilutive ordinary shares outstanding at any time during the year/previous year.
Basic/dilutive earnings per share calculated as follows:

	Group		Company	
For the year ended 31 March	2026	2025	2026	2025
Profit attributable to ordinary shareholders (LKR)	**836,725,690**	249,738,129	**82,595,011**	198,746,909
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**625,000,000**	625,000,000	**625,000,000**	625,000,000
Basic earnings per share (LKR)	**1.34**	0.40	**0.13**	0.32

14. Dividend Per Share

The calculation of dividend per share is based on the dividend attributable to ordinary shareholders and the number of ordinary shares outstanding as at the reporting date.

	Group		Company	
For the year ended 31 March	2026	2025	2026	2025
Interim dividends (LKR)	**125,000,000**	–	**125,000,000**	–
Number of ordinary shares	**625,000,000**	625,000,000	**625,000,000**	625,000,000
Dividend per share (LKR)	**0.20**	–	**0.20**	–

15. Property, Plant and Equipment

15.1 Group

As at 31 March	Lands	Office equipment	Furniture and fittings	Staff accommodations	Building and structure	Tools and equipment	Motor vehicles
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Cost							
Balance as at 1 April 2024 – Restated	80,221,500	19,242,042	15,635,103	1,314,800	498,550	37,750	34,734,520
Additions	178,921,887	12,706,601	6,269,833	–	–	202,611	5,824,877
Transfers from capital work in progress	–	–	–	–	–	–	–
Disposals/transfers	–	(199,663)	–	–	(498,550)	–	–
Balance as at 31 March 2025	259,143,387	31,748,980	21,904,936	1,314,800	–	240,361	40,559,397
Additions	13,468,582	19,232,301	70,822	–	–	6,699,012	22,429,000
Transfer from capital work-in progress	–	4,479,765	–	24,690,273	–	–	–
Disposals	–	–	–	–	–	–	(10,162,000)
Impairment	–	–	–	–	–	–	–
Restoration cost	–	–	–	–	–	–	–
Balance as at 31 March 2026	**272,611,969**	**55,461,046**	**21,975,758**	**26,005,073**	**–**	**6,939,373**	**52,826,397**
Accumulated Depreciation							
Balance as at 1 April 2024 – Restated	–	13,834,130	13,375,227	821,760	13,474	23,670	28,734,807
Depreciation for the year		3,038,561	1,255,947	328,704	17,685	39,691	2,558,771
Transfer to solar power plant	–	–	–	–	(31,159)	–	–
Disposals	–	(199,663)	–	–	–	–	–
Balance as at 31 March 2025	–	16,673,028	14,631,174	1,150,464	–	63,361	31,293,578
Depreciation for the year	–	7,148,790	2,108,783	822,935	–	817,483	4,966,420
Disposals	–	–	–	–	–	–	(10,162,000)
Balance as at 31 March 2026	–	**23,821,818**	**16,739,957**	**1,973,399**	**–**	**880,844**	**26,097,998**
Brought forward amount as at 1 April 2024 – Restated	80,221,500	5,407,912	2,259,876	493,040	485,076	14,080	5,999,713
Carrying amount as at 31 March 2025	259,143,387	15,075,952	7,273,762	164,336	–	177,000	9,265,819
Carrying amount as at 31 March 2026	**272,611,969**	**31,639,228**	**5,235,801**	**24,031,674**	**–**	**6,058,529**	**26,728,399**

	Civil construction				Electro mechanical equipment				
	Intake weir and headrace channel	De-silting tank and forbay tank	Spillware gate and restrooms	Pen stocks and power houses	Turbines and generators	Transformers and power lines	Voltage panel and crane	Solar power plants	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
	444,973,480	127,808,063	51,022,180	323,453,208	451,167,919	59,485,027	54,778,153	1,952,971,905	3,617,344,200
	–	18,948,864	–	–	–	–	–	–	222,874,673
	–	–	–	14,791,432	–	–	–	–	14,791,432
	–	–	–	–	–	–	–	498,550	(199,663)
	444,973,480	146,756,927	51,022,180	338,244,640	451,167,919	59,485,027	54,778,153	1,953,470,455	3,854,810,642
	–	–	–	–	–	–	170,000	2,076,652	64,146,369
	–	–	–	–	–	–	–	4,335,712,875	4,364,882,913
	–	–	–	–	–	–	–	–	(10,162,000)
	–	–	–	–	(14,270,271)	–	–	(18,323,250)	(32,593,521)
	–	–	–	–	–	–	–	24,431,000	24,431,000
	444,973,480	**146,756,927**	**51,022,180**	**338,244,640**	**436,897,648**	**59,485,027**	**54,948,153**	**6,297,367,732**	**8,265,515,403**
	120,411,414	46,663,907	20,879,125	81,693,629	191,565,156	23,454,744	30,349,537	345,170,080	916,990,660
	10,889,133	3,351,658	1,260,346	8,446,901	14,437,654	2,279,237	2,031,961	100,686,456	150,622,705
	–	–	–	–	–	–	–	31,159	–
	–	–	–	–	–	–	–	–	(199,663)
	131,300,547	50,015,565	22,139,471	90,140,530	206,002,810	25,733,981	32,381,498	445,887,695	1,067,413,702
	10,889,133	3,351,658	1,260,347	8,446,901	14,437,653	2,279,237	1,511,018	222,454,803	280,495,161
	–	–	–	–	–	–	–	–	(10,162,000)
	142,189,680	**53,367,223**	**23,399,818**	**98,587,431**	**220,440,463**	**28,013,218**	**33,892,516**	**668,342,498**	**1,337,746,863**
	324,562,066	81,144,156	30,143,055	241,759,579	259,602,763	36,030,283	24,428,616	1,607,801,825	2,700,353,540
	313,672,933	96,741,362	28,882,709	248,104,110	245,165,109	33,751,046	22,396,655	1,507,582,760	2,787,396,940
	302,783,800	**93,389,704**	**27,622,362**	**239,657,209**	**216,457,185**	**31,471,809**	**21,055,637**	**5,629,025,234**	**6,927,768,540**

15. Property, Plant and Equipment (Cont'd)

15.2 Company

As at 31 March	Lands	Office equipment	Furniture and fittings	Motor vehicles	Intake weir and headrace channel
	LKR	LKR	LKR	LKR	LKR
Cost					
Balance as at 1 April 2024 – Restated	12,976,484	13,402,217	14,280,043	1,742,520	53,717,354
Additions	–	8,693,826	5,831,432	–	–
Transfers from capital work in progress	–	–	–	–	–
Disposals/transfers	–	(199,663)	–	–	–
Balance as at 31 March 2025	12,976,484	21,896,380	20,111,475	1,742,520	53,717,354
Additions during the year	–	3,375,149	–	–	–
Balance as at 31 March 2026	**12,976,484**	**25,271,529**	**20,111,475**	**1,742,520**	**53,717,354**
Accumulated depreciation					
Balance as at 1 April 2024 – Restated	–	10,012,907	12,295,664	1,545,155	34,153,083
Depreciation for the year	–	1,748,220	1,091,475	98,683	1,244,480
Disposals	–	(199,663)	–	–	–
Balance as at 31 March 2025	–	11,561,464	13,387,139	1,643,838	35,397,563
Depreciation for the year	–	3,252,313	1,914,204	98,682	1,244,480
Balance as at 31 March 2026	**–**	**14,813,777**	**15,301,343**	**1,742,520**	**36,642,043**
Brought forward amount as at 1 April 2024 – Restated	12,976,484	3,389,310	1,984,379	197,365	19,564,271
Carrying amount as at 31 March 2025	12,976,484	10,334,916	6,724,336	98,682	18,319,791
Carrying amount as at 31 March 2026	**12,976,484**	**10,457,752**	**4,810,132**	**–**	**17,075,311**

15. Property, Plant and Equipment (Cont'd)

Civil construction			Electro mechanical equipment			Total
De-silting tank and forbay tank	Spillware gate and restrooms	Pen stocks and power houses	Turbines and generators	Transformers and power lines	Voltage panel and crane	
LKR	LKR	LKR	LKR	LKR	LKR	LKR
30,696,427	14,094,961	49,652,298	80,084,698	11,651,314	15,331,529	297,629,845
–	–	–	–	–	–	14,525,258
–	–	14,791,432	–	–	–	14,791,432
–	–	–	–	–	–	(199,663)
30,696,427	14,094,961	64,443,730	80,084,698	11,651,314	15,331,529	326,746,872
–	–	–	–	–	170,000	3,545,149
30,696,427	**14,094,961**	**64,443,730**	**80,084,698**	**11,651,314**	**15,501,529**	**330,292,021**
21,546,847	10,128,037	24,007,367	66,360,010	7,330,288	14,659,382	202,038,740
653,209	346,404	1,676,240	2,966,651	447,643	602,110	10,875,115
–	–	–	–	–	–	(199,663)
22,200,056	10,474,441	25,683,607	69,326,661	7,777,931	15,261,492	212,714,192
653,209	346,404	1,676,240	2,966,651	447,643	81,168	12,680,994
22,853,265	**10,820,845**	**27,359,847**	**72,293,312**	**8,225,574**	**15,342,660**	**225,395,186**
9,149,580	3,966,924	25,644,931	13,724,688	4,321,026	672,147	95,591,105
8,496,371	3,620,520	38,760,123	10,758,037	3,873,383	70,037	114,032,680
7,843,162	**3,274,116**	**37,083,883**	**7,791,386**	**3,425,740**	**158,869**	**104,896,835**

15. Property, Plant and Equipment (Cont'd)

15.3 The cost of fully depreciated property, plant and equipment which are still in use at the reporting date is as follows:

	Group		Company	
As at 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Furniture and fittings	**13,549,660**	13,472,763	**12,454,649**	12,454,649
Motor vehicles	**18,797,520**	28,170,060	**1,742,520**	1,347,790
Office equipment	**14,328,953**	11,991,301	**10,163,786**	9,138,388
	46,676,133	53,634,124	**24,360,955**	22,940,827

15.4 During the financial year, the Group acquired/capitalised property, plant and equipment to the aggregate value of LKR 4,429 Mn. and (2025 – LKR 237.7 Mn.). Cash payments amounting to LKR 64.1 Mn. (2025 – LKR 222.9 Mn.) were made during the year for purchase of property, plant and equipment.

15.5 During the financial year, the Company acquired property, plant and equipment to the aggregate value of LKR 3.5 Mn. (2025 LKR 29.3 Mn.). Cash payments amounting to LKR 3.5 Mn. (2025 LKR 29.3 Mn.) were made during the year for purchase of property, plant and equipment.

15.6 Details of Freehold and Leasehold Lands of the Group

As at 31 March	Location	Land Extent	
Company		Leasehold (Perches)	Freehold (Perches)
Panasian Power PLC	Ratturugala, Rathnapura	188.30	548.30
Manelwala Hydropower (Pvt) Ltd	Walapane, Nuwaraeliya	631.41	520.54
Padiyapelella Hydropower Ltd	Walapane, Nuwaraeliya	98.84	1,542.29
Padiyapelella Hydropower Ltd – Phase II	Walapane, Nuwaraeliya	465.60	838.50
Eco Green Solar Solutions (Pvt) Ltd	Beliatta	754	–
Panthree Solaro Energy (Pvt) Ltd	Matara	–	640.00
Panthree Solaro Energy (Pvt) Ltd	Pannala	–	487.00
Panthree Solaro Energy (Pvt) Ltd	Maho	–	806.00
Solar Power Generation Matara (Pvt) Ltd	Matara	–	1,280.00
Rajarata Sustainable Development (Pvt) Ltd	Maradankadawala	–	828.25
Rajarata Sustainable Development (Pvt) Ltd	Thirappane	640.00	–
Finergreen Rajarata (Pvt) Ltd	Maradankadawala	–	828.25
Finergreen Rajarata (Pvt) Ltd	Thirappane	640.00	–
PAP MHPL Solar (Pvt) Ltd	Kurunegala	–	3,200.00
PAP MHPL Solar (Pvt) Ltd	Ampara	3,455.10	–
PAP PTS Solar (Pvt) Ltd	Matara	–	3,366.00
PAP PTS Solar (Pvt) Ltd	Maho	2,975.00	–
PAP EGSS Solar (Pvt) Ltd	Anuradhapura	3,615.25	–
PAP EGSS Solar (Pvt) Ltd	Hiyare	3,047.04	–
PAP EGSS Solar (Pvt) Ltd	Baddegama	–	3,142.05

15. Property, Plant and Equipment (Cont'd)

15.7 There has been an impairment of property, plant and equipment amounting to LKR 32.5 Mn. (2024/25-Nil). Details are as follows.

As at 31 March	2026 LKR	2025 LKR
Turbines and generators	**14,270,271**	–
Solar power plants	**18,323,250**	–
Total impairment	**32,593,521**	–

The impairment losses amounting to LKR 14.2 Mn. were recognised in relation to the turbine and generator assets class of Manelwala Hydropower (Pvt) Ltd due to damage to the main valve of the turbine. In addition, an impairment loss of LKR 18.3 Mn was recognised in respect of the Pannala solar power plant owned by Panthree Solaro Energy (Pvt) Ltd following damage caused by cyclone Ditwah.

15.8 Property, plant, and equipment includes capitalised restoration costs of LKR 24.4 Mn incurred for the reinstatement of the Pannala solar power plant owned by Panthree Solaro Energy (Pvt) Ltd following damage caused by cyclone Ditwah.

15.9 Assets Pledged as Securities

Carrying value of property, plant and equipment of the Group are pledged as security for bank borrowings (Note 32.1).

15.10 Capitalised Borrowing Costs

The Group's property, plant and equipment includes borrowing costs arising from bank loans obtained specifically for the development of qualifying assets. During the year, borrowing costs amounting to LKR 191.8 million (2024/25: nil) were capitalised as part of the cost of such assets. The average capitalisation rate applied to the borrowing costs during the year was 12.9%.

15. Property, Plant and Equipment (Cont'd)

15.11 Change in subsequent measurement of land, civil construction, electro-mechanical equipment and solar Power plants from revaluation model to cost model – Group

Using the revaluation model for assets in the hydropower plants and the solar power plant results in fair value fluctuations which involves significant uncertainties in the Financial Statements. These assets are not held for sale but are used for ongoing operational purposes; therefore, fair value information is not particularly relevant for users of the Financial Statements. Applying the cost model avoids unnecessary volatility in reported values and provides information that is more reliable due to the consistency and more relevant to the users of the Financial Statements.

Consequently, the following entities have changed their accounting policy : Panasian Power PLC, Eco Green Solar Solutions (Pvt) Ltd, Finergreen Rajarata (Pvt) Ltd, Manelwala Hydropower (Pvt) Ltd, Panthree Solaro Energy (Pvt) Ltd, PAP Solar One (Pvt) Ltd, Powergen One (Pvt) Ltd, Padiyapellela Hydropower Ltd, Rajarata Sustainable Development (Pvt) Ltd, and Solar Power Generation Matara (Pvt) Ltd.

The change in accounting policy resulted in the restatement of each affected Financial Statement line item for the prior periods as follows:

Statement of Financial Position

As at 31 March	2025 LKR	Increase/ (decrease) LKR	2025 (Restated) LKR	2024 LKR	Increase/ (decrease) LKR	2024 (Restated) LKR
(Extracts)						
Property, plant and equipment	4,049,756,784	(1,262,359,844)	2,787,396,940	4,152,677,840	(1,452,324,300)	2,700,353,540
Deferred tax liability	523,931,308	(135,380,550)	388,550,758	684,756,003	(250,092,435)	434,663,568
Deferred tax assets	5,323,659	(3,095,163)	2,228,496	793,477	–	793,477
Revaluation reserve	1,237,383,107	(1,237,383,107)	–	1,353,080,032	(1,353,080,032)	–
Retained earnings	255,369,257	169,247,358	424,616,615	(145,360,298)	211,746,202	66,385,904
Non controlling interests	168,157,494	(56,939,039)	111,218,455	193,057,912	(58,109,484)	134,948,428
Investment in equity accounted investee	10,466,193	4,999,665	15,465,858	10,195,610	2,788,552	12,984,162

Statement of profit or loss and other comprehensive income

For the year ended 31 March	2025 LKR	Profit increase/ (decrease) LKR	2025 (Restated) LKR
(Extracts)			
Statement of profit or loss			
Cost of sales	(736,116,396)	52,264,765	(683,851,631)
Profit before income tax	362,506,206	42,372,673	404,878,879
Income tax expenses	(40,220,858)	(92,302,618)	(132,523,476)
Share of profit of equity accounted investees – (net of tax)	847,999	2,211,114	3,059,113
Profit for the period	322,285,347	(49,929,944)	272,355,403

15. Property, Plant and Equipment (Cont'd)

For the year ended 31 March	2025 LKR	Profit increase/ (decrease) LKR	2025 (Restated) LKR
Other comprehensive income			
Revaluation of property, plant and equipment	(149,225,487)	149,225,487	–
Deferred tax effect on revaluation	25,504,432	(25,504,432)	–
Other comprehensive income loss for the year, net of tax	(126,636,776)	124,298,471	(2,338,305)
– Revaluation of property, plant and equipment- share of equity accounted investees	(577,416)	577,416	–
Total comprehensive income for the period	195,648,573	74,368,525	270,017,098
Profit attributable to:			
Owners of the parent	292,236,973	(42,498,844)	249,738,129
Non-controlling interests	30,048,376	(7,431,102)	22,617,274
Total comprehensive income for the year attributable to:			
Equity holders of the parent	174,306,442	65,766,978	240,073,420
Non-controlling interests	21,342,131	8,601,547	29,943,678
Basic earnings per share			
Impact on basic earnings per share (EPS) – decrease in EPS for the year ended 31 March 2025	0.47	(0.07)	0.40

Some amounts disclosed in Notes 11 and 12 were restated.

Depreciation expense decreased by LKR 52,264,765 and deferred tax expense increased by LKR 92,302,618 .

15. Property, Plant and Equipment (Cont'd)

15.12 Change in subsequent measurement of land, civil construction and electro-mechanical equipment from revaluation model to cost model – Company

Using the revaluation model for assets in the hydropower plant results in fair value fluctuations which involves significant uncertainties in the Financial Statements. These assets are not held for sale but are used for ongoing operational purposes; therefore, fair value information is not particularly relevant for users of the Financial Statements. Applying the cost model avoids unnecessary volatility in reported values and provides information that is more reliable due to the consistency and more relevant to the users of the Financial Statements.

The change in accounting policy resulted in the restatement of each affected financial statement line item for the prior periods as follows:

Statement of Financial Position

As at 31 March	2025 LKR	Increase/ (decrease) LKR	2025 (Restated) LKR	2024 LKR	Increase/ (decrease) LKR	2024 (Restated) LKR
(Extracts)						
Property, plant and equipment	597,657,934	(483,625,254)	114,032,680	620,571,053	(524,979,948)	95,591,105
Revaluation reserves	423,446,867	(423,446,867)	–	440,008,695	(440,008,695)	–
Retained earnings	422,959,480	91,590,661	514,550,141	251,878,244	65,343,996	317,222,240
Deferred tax liabilities	151,682,658	(151,596,269)	86,389	161,449,249	(150,315,250)	11,133,999

Statement of profit or loss and other comprehensive income

For the year ended 31 March	2025 LKR	Profit increase/ (decrease) LKR	2025 (Restated) LKR
(Extracts)			
Statement of profit or loss			
Cost of sales	(41,279,824)	17,694,939	(23,584,885)
Profit before income tax	186,150,523	17,694,939	203,845,462
Income tax expense	(13,650,279)	8,551,726	(5,098,553)
Profit for the period	172,500,244	26,246,665	198,746,909
Other comprehensive income			
Revaluation of property, plant and equipment	(23,659,754)	23,659,754	–
Deferred tax effect on revaluation	7,097,926	(7,097,926)	–
Equity holders of the parent			
Impact on basic earnings per share (EPS) – increase in EPS for the year ended 31 March 2025	0.28	0.04	0.32

Some amounts disclosed in Notes 11 and 12 were restated.

Depreciation expense decreased by LKR 17,694,939 and deferred tax expense decreased by LKR 8,551,726.

16. Capital Work-in Progress

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year	**1,375,638,853**	118,391,792	**2,794,894**	17,791,432
Additions of Lower Kotmale Oya Power Two (Pvt) Ltd.	**25,519,577**	–	**–**	–
Additions during the year	**3,046,784,390**	1,272,538,493	**20,090,002**	294,894
Transfers to property, plant and equipment	**(4,364,882,913)**	(14,791,432)	**–**	(14,791,432)
Reversals during the year	**–**	(500,000)	**–**	(500,000)
At the end of the year	**83,059,907**	1,375,638,853	**22,884,896**	2,794,894

17. Right of Use Assets

17.1 As a Lessee

The Group and the Company have lease contracts for office buildings and lands used for ground solar projects, the following table summarises the lease terms and remaining durations for each company.

Company	Description	Lease term	Remaining lease term
Panasian Power PLC	Office building- Level 4	8 Years	1 Years 9 Months
Panasian Power PLC	Office building- Level 2	4 Years 4 Months	2 Years 9 Months
Eco Green Solar Solutions (Pvt) Ltd	Land	30 Years	22 Years
PAP EGSS Solar (Pvt) Ltd	Land	22 Years	19 Years 10 Months
PAP PTS Solar (Pvt) Ltd	Land	29 Years	27 Years 03 Months

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Cost				
At the beginning of the year	**127,229,038**	95,322,145	**66,491,799**	38,732,838
Additions	**–**	31,906,893	**–**	27,758,961
At the end of the year	**127,229,038**	127,229,038	**66,491,799**	66,491,799
Accumulated Depreciation				
At the beginning of the year	**28,671,723**	16,092,009	**25,427,174**	15,493,137
Depreciation for the year	**15,293,387**	12,579,714	**12,603,168**	9,934,037
At the end of the year	**43,965,110**	28,671,723	**38,030,342**	25,427,174
Carrying amount	**83,263,928**	98,557,315	**28,461,457**	41,064,625

17. Right of Use Assets (Cont'd)

17.1.1 Set out below are the carrying amount of right of use assets recognised.

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Land	**54,802,471**	57,492,690	**–**	–
Office premises	**28,461,457**	41,064,625	**28,461,457**	41,064,625
	83,263,928	98,557,315	**28,461,457**	41,064,625
Depreciation charge of right of use assets				
Land	**2,690,219**	2,645,677	**–**	–
Office premises	**12,603,168**	9,934,037	**12,603,168**	9,934,037
	15,293,387	12,579,714	**12,603,168**	9,934,037

18. Intangible Assets

18.1 Right to Generate Hydropower

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Cost				
At the beginning of the year	**21,691,000**	21,191,000	**15,691,000**	15,191,000
Additions	**599,082**	500,000	**–**	500,000
At the end of the year	**22,290,082**	21,691,000	**15,691,000**	15,691,000
Accumulated Amortisation				
At the beginning of the year	**21,209,749**	20,892,570	**15,209,746**	14,892,567
Amortisation for the year	**100,883**	317,179	**24,996**	317,179
At the end of the year	**21,310,632**	21,209,749	**15,234,742**	15,209,746
Carrying amount	**979,450**	481,251	**456,258**	481,254

18.1.1 The right to generate hydro power represent the amounts paid to purchase exclusive rights to generate hydro electric power. The Group amortise this right over 20 years on a straight line basis beginning from the year of commercial operation.

18.2 Right to Generate Solar Power

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Eco Green Solar Solutions (Pvt) Ltd	**8,855,000**	9,515,000	**–**	–
Solar Power Generation Matara (Pvt) Ltd	**11,125,000**	11,875,000	**–**	–
Rajarata Sustainable Development (Pvt) Ltd	**23,191,879**	24,716,879	**–**	–
Finergreen Rajarata (Pvt) Ltd	**21,345,625**	22,780,640	**–**	–
	64,517,504	68,887,519	**–**	–

18. Intangible Assets (Cont'd)

As at 31 March	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Right to generate solar power				
Cost				
At the beginning of the year	**87,400,000**	87,400,000	**–**	–
Additions	**–**	–	**–**	–
At the end of the year	**87,400,000**	87,400,000	**–**	–
Accumulated Amortisation				
At the beginning of the year	**18,512,481**	14,141,652	**–**	–
Amortisation for the year	**4,370,015**	4,370,829	**–**	–
At the end of the year	**22,882,496**	18,512,481	**–**	–
Carrying amount	**64,517,504**	68,887,519	**–**	–

18.2.1 The right to generate solar power represent the amounts paid to purchase exclusive rights to generate solar power. The Group amortise this right over 20 years on straight line basis beginning from the year of commercial operations.

18.3 Software License

As at 31 March	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Cost				
At the beginning of the year	**4,279,093**	3,585,780	**4,279,093**	3,585,780
Additions	**3,126,466**	693,313	**-**	693,313
At the end of the year	**7,405,559**	4,279,093	**4,279,093**	4,279,093
Accumulated Amortisation				
At the beginning of the year	**2,344,889**	1,677,843	**2,344,889**	1,677,843
Amortisation for the year	**1,278,137**	667,046	**669,583**	667,046
At the end of the year	**3,623,026**	2,344,889	**3,014,472**	2,344,889
Carrying amount	**3,782,533**	1,934,204	**1,264,621**	1,934,204

18.3.1 Software license of Group/Company includes fully amortised assets having a gross amount of LKR 1,404,802/- (2024/25 LKR 1,404,802/-).

18. Intangible Assets (Cont'd)

18.4 Total Carrying Value of Intangible Assets are as follows.

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Carrying value of intangible assets	**69,279,487**	71,302,974	**1,720,879**	2,415,458
Total amortisation charge for the year	**5,749,035**	5,355,054	**694,579**	984,225

19. Investment in Subsidiaries

Investment in subsidiaries is initially recognised at cost in the financial statement of the Company. Any transaction cost relating to acquisition of investment in subsidiary is imminently recognised in the statement of profit or loss .

After the initial recognition, investment in subsidiaries are carried at cost less any accumulated impairment losses.

19.1 Company Investment in Subsidiaries

As at 31 March	Company		No. of Shares			Company		
	2026 Effective holding %	2025 Effective holding %	2026 No.	Additions/ transfers No.	2025 No.	2026 LKR	Additions/ transfers LKR	2025 LKR
Unquoted investments								
Manelwala Hydropower (Pvt) Ltd	**100**	100	**17,620,073**	–	17,620,073	**565,107,184**	–	565,107,184
Panasian Investments (Pvt) Ltd	**100**	100	**12,800,000**	–	12,800,000	**128,000,000**	–	128,000,000
Panthree Solaro Energy (Pvt) Ltd	**100**	100	**5,500,000**	–	5,500,000	**55,000,000**	–	55,000,000
Padiyapelella Hydropower Ltd	**83**	83	**37,350,000**	–	37,350,000	**537,070,510**	–	537,070,510
Rajarata Sustainable Development (Pvt) Ltd	**100**	100	**2,300,000**	–	2,300,000	**23,000,000**	–	23,000,000
Finergreen Rajarata (Pvt) Ltd	**100**	100	**6,900,000**	–	6,900,000	**69,000,000**	–	69,000,000
R-E-D Capital Asia (Pvt) Ltd	**51**	51	**510,001**	–	510,001	**5,100,010**	–	5,100,010
Panasian Solar (Pvt) Ltd	**100**	100	**1,500,001**	1,500,000	1	**15,000,010**	15,000,000	10
Solar One Asia (Pvt) Ltd	**100**	100	**630,001**	630,000	1	**6,300,001**	6,300,000	1
Lower Kotmale Oya Power Two (Pvt) Ltd	**100**	100	**1,600,100**	1,600,100	–	**23,800,000**	23,800,000	–
Company investment in subsidiaries (at cost)			**86,710,176**	3,730,100	82,980,076	**1,427,377,715**	45,100,000	1,382,277,714

19. Investment in Subsidiaries (Cont'd)

20. Investment in Preference Shares

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Eco Green Solar Solutions (Pvt) Ltd	**–**	–	**23,000,000**	23,000,000
	–	–	**23,000,000**	23,000,000

21. Investment in Equity Accounted Investee

As at 31 March	Holding %	Group			Company		
		2026 LKR	2025 LKR	2024 LKR	2026 LKR	2025 LKR	2024 LKR
Powergen One (Pvt) Ltd	50	**14,586,054**	15,465,858	12,984,162	**–**	–	–
		14,586,054	15,465,858	12,984,162	**–**	–	–

The Group has 50% interest in Powergen One (Pvt) Ltd, a joint venture operated as a solar power generation company.

The Group recognises its interest in joint ventures using the equity method as per paragraph 16 of LKAS 28 – Interests in associate and joint ventures. The summarised financial information of the joint venture and reconciliation with the carrying amount of the investment are set out below.

21.1 Share of Net Results of Equity Accounted Investee

As at 31 March	Powergen One (Pvt) Ltd 2026 LKR	Powergen One (Pvt) Ltd 2025 (Restated) LKR
Revenue	**3,339,103**	5,366,504
Operating expense including cost of sales	**(4,047,635)**	(3,912,205)
Net finance income	**145,914**	1,227,641
(Loss)/Profit before taxation – 100%	**(562,618)**	2,681,940
Income tax (expenses)/reversals	**(1,783,267)**	2,850,010
(Loss)/profit before taxation – 100%	**(2,345,885)**	5,531,950
Group share of results of equity accounted investee net of tax (50%) – Before adjustments	**(1,172,942)**	2,765,975
Depreciation on unrealised profit on sale of property, plant & equipment	**293,138**	293,138
Group share of results of equity accounted investee net of tax (50%) – After adjustments	**(879,804)**	3,059,113
Total comprehensive (loss)/income (100%)	**(2,345,885)**	5,531,950

21. Investment in Equity Accounted Investee (Cont'd)

21.1.1 Share of Net Financial Highlights of Equity Accounted Investees

As at 31 March	Powergen One (Pvt) Ltd 2026 LKR	Powergen One (Pvt) Ltd 2025 (Restated) LKR	Powergen One (Pvt) Ltd 2024 (Restated) LKR
Non-current assets	**37,732,618**	36,098,142	37,467,289
Current assets (including cash and cash equivalents)	**3,149,403**	3,735,970	6,725,277
Non current liabilities	**–**	–	(4,153,902)
Current liabilities	**(3,996,551)**	(602,758)	(6,339,261)
Net assets (100%)	**36,885,470**	39,231,354	33,699,403
Cash and cash equivalents	**999,539**	2,732,165	5,280,739

21.2 Reconciliation for Carrying Amount of Equity Accounted Investee

As at 31 March	Powergen One (Pvt) Ltd 2026 LKR	Powergen One (Pvt) Ltd 2025 (Restated) LKR	Powergen One (Pvt) Ltd 2024 (Restated) LKR
Initial investment	**12,515,200**	12,515,200	12,515,200
Group share of unrealised profit	**(5,862,756)**	(5,862,756)	(5,862,756)
Retained earnings	**11,607,717**	12,780,659	10,592,101
Depreciation on unrealised profit	**2,320,674**	2,027,536	1,734,398
Dividend paid	**(5,994,781)**	(5,994,781)	(5,994,781)
Net investment in joint venture	**14,586,054**	15,465,858	12,984,162

Powergen One (Pvt) Ltd was incorporated on 27 December 2017 as a joint venture between Panasian Investments (Pvt) Ltd, which is a fully owned subsidiary of Panasian Power PLC, and Magna wealth (Pvt) Ltd, to install and operate 400 kWp rooftop solar power plant in the rooftop of factory owned by Magna Wealth (Pvt) Ltd located in Borelasgamuwa, Sri Lanka.

22. Other Non-Financial Assets

	Group		Company	
As at 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Lower Kotmale Oya Power Two (Pvt) Ltd	–	22,115,150	–	22,115,150
	–	22,115,150	–	22,115,150

23. Inventories

As at 31 March	Note	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
Finished goods		**78,800,463**	54,256,591	**–**	–
Spare parts		**54,879,359**	30,033,899	**1,267,145**	1,358,159
Raw material		**5,440,731**	7,157,033	**–**	–
Work in progress		**439,837**	11,506,051	**–**	–
Goods in transit		**4,148,097**	–	**–**	–
		143,708,487	102,953,574	**1,267,145**	1,358,159
Provision for written-down of inventories	23.2	**(2,860,614)**	(3,820,365)	**–**	–
Provision for slow moving and obsolete inventories	23.1	**(1,401,797)**	–	**–**	–
		139,446,076	99,133,209	**1,267,145**	1,358,159

23.1 Movement in the Provision for Slow Moving and Obsolete of Inventories

As at 31 March	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
At the beginning of the year	**–**	–	**–**	–
Movement during the year	**1,401,797**	–	**–**	–
At the end of the year	**1,401,797**	–	**–**	–

23.2 Movement in the Provision for Written-Down of Inventories

As at 31 March	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR
At the beginning of the year	**3,820,365**	–	**–**	–
Movement during the year	**(959,751)**	3,820,365	**–**	–
At the end of the year	**2,860,614**	3,820,365	**–**	–

23.3 The carrying value of finished goods inventory as at 31 March 2026, has been pledged as security for bank borrowings (Note 32.1).

24. Financial Assets at Fair Value Through Profit or Loss

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year	**38,204,823**	30,936,127	**104,640**	–
Investments	**1,325,136,323**	552,550,000	**62,000,000**	56,050,000
Fair value gain	**11,036,765**	5,768,696	**216,318**	104,640
Withdrawals	**(1,205,997,814)**	(551,050,000)	**(32,000,000)**	(56,050,000)
At the end of the year	**168,380,097**	38,204,823	**30,320,958**	104,640
Number of units	**4,235,924**	1,050,056	**762,782**	2,876

25. Trade and Other Receivables

As at 31 March	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Trade receivables	25.1	**615,264,736**	182,421,606	**8,694,803**	6,101,439
Other receivables	25.2	**208,350,029**	191,775,219	**36,257,945**	70,698,467
		823,614,765	374,196,825	**44,952,748**	76,799,906

25.1 Trade Receivables

As at 31 March	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Trade debtors		**574,173,322**	119,027,102	**8,694,803**	6,101,439
Trade debtors – Other		**50,457,664**	67,641,141	**–**	–
Related party debtors		**–**	1,130,061	**–**	–
Less: Provision for impairment	25.1.4	**(9,366,250)**	(5,376,698)	**–**	–
		615,264,736	182,421,606	**8,694,803**	6,101,439

25.1.1 Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30-90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

25.1.2 Fair values of trade receivables

Due to the short-term nature of the trade receivables, their carrying amount is considered to be the same as their fair value .

25. Trade and Other Receivables (Cont'd)

25.1.3 Age analysis of trade receivables is set out below:

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Below 30 days	**278,277,310**	116,839,667	**2,702,420**	6,101,439
31 to 60 days	**318,466,074**	47,984,048	**2,955,145**	–
61 to 180 days	**15,985,319**	10,225,126	**3,037,238**	–
Over 180 days	**2,536,033**	7,372,765	**–**	–
	615,264,736	182,421,606	**8,694,803**	6,101,439

25.1.4 Set out below is the movement in the provision for impairment losses of trade receivables

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year	**5,376,698**	18,480,359	**–**	–
Provision for impairment	**3,989,552**	2,558,740	**–**	–
Reversals during the year	**–**	(10,002,767)	**–**	–
Write-offs during the year	**–**	(5,659,634)	**–**	–
At the end of the year	**9,366,250**	5,376,698	**–**	–

25.1.5 Impairment and risk exposure

A trade receivable is considered to be in default when the payment is overdue by more than 365 days, or when the customer is assessed to be unlikely to pay their outstanding receivable, based on historical payment patterns and other relevant factors. The Group's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in Note 42.1.

25.2 Other Receivables

As at 31 March	Note	Group		Company	
		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Deposits paid		**14,295,801**	12,546,968	**5,641,250**	5,646,250
Prepayments		**23,635,947**	17,546,152	**6,064,802**	4,201,161
Advance paid		**41,143,943**	127,685,245	**8,025,841**	4,570,405
Dividend receivable		**–**	–	**–**	47,621,250
Other receivables		**131,848,805**	33,996,854	**16,526,052**	8,659,401
Less: provision for impairment	25.2.1	**(2,574,467)**	–	**–**	–
		208,350,029	191,775,219	**36,257,945**	70,698,467

25. Trade and Other Receivables (Cont'd)

25.2.1 Set out below is the movement in the provision for impairment losses of other receivables

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year	–	–	–	–
Provision for impairment	**2,574,467**	–	–	–
At the end of the year	**2,574,467**	–	–	–

26. Amounts Due from Related Companies

Company Name	Relationship	Group		Company	
As at 31 March		2026 LKR	2025 LKR	2026 LKR	2025 LKR
Lower Kotmale Oya Power Two (Pvt) Ltd	Subsidiary	–	682,754	**69,928**	682,754
Panasian Investments (Pvt) Ltd	Subsidiary	–	–	**1,282,468**	32,141,425
Pap Solar One (Pvt) Ltd	Subsidiary	–	–	**424,165**	–
Eco Green Solar Solutions (Pvt) Ltd	Subsidiary	–	–	**16,439,108**	66,309,695
Powergen One (Pvt) Ltd	Joint Venture	**646,280**	280,826	**496,734**	243,902
Rajarata Sustainable Development (Pvt) Ltd	Subsidiary	–	–	**172,245**	–
Panthree Solaro Energy (Pvt) Ltd	Subsidiary	–	–	–	3,542,875
Panasian Solar (Pvt) Ltd	Subsidiary	–	–	**7,717,356**	13,843,161
R-E-D Capital Asia (Pvt) Ltd	Subsidiary	–	–	**20,165,760**	50,316,194
PAP PTS Solar (Pvt) Ltd	Subsidiary	–	–	**3,208,337**	–
PAP MHPL Solar (Pvt) Ltd	Subsidiary	–	–	**3,080,000**	–
Solar One Asia (Pvt) Ltd	Subsidiary	–	6,498,907	**3,420,775**	2,216,475
Manelwala Hydropower (Pvt) Ltd	Subsidiary	–	–	**1,314,585**	–
RIL Property PLC	Ultimate Parent	–	3,193,151	–	–
		646,280	10,655,638	**57,791,461**	169,296,481

27. Other Financial Asset

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Fixed deposits	**57,755,715**	58,540,996	–	–

28. Cash and Cash Equivalents

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Favourable balances				
Cash at bank	**149,448,844**	921,104,445	**31,957,100**	64,719,530
Cash in hand	**1,780,003**	1,980,003	**200,000**	200,000
Short-term deposits	**10,876,683**	191,400,357	**10,876,683**	10,277,105
	162,105,530	1,114,484,805	**43,033,783**	75,196,635
Un-Favourable balances				
Bank overdrafts	**(11,424,782)**	(65,335,840)	**(1,845,120)**	(3,626,516)
Cash and cash equivalents for the purpose of cash flow statement	**150,680,748**	1,049,148,965	**41,188,663**	71,570,119

29. Equity

29.1 Stated Capital

As at 31 March	Group		Company	
	2026	2025	2026	2025
Issued and fully paid number of shares				
Ordinary shares	**625,000,000**	625,000,000	**625,000,000**	625,000,000
Value of issued and fully paid shares				
Ordinary shares (LKR)	**1,030,000,000**	1,030,000,000	**1,030,000,000**	1,030,000,000

The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company.

The ultimate parent is having 75% stake of Panasian Power PLC as at 31 March 2026.

30. Retirement Benefit Obligation

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Present value of retirement benefit obligation	**19,987,008**	17,641,274	**16,425,654**	13,715,227
Movement in present value of the retirement benefit obligation				
At the beginning of the year	**17,641,274**	11,550,170	**13,715,227**	9,561,523
Current service cost	**3,234,739**	2,464,665	**2,410,285**	1,914,264
Interest cost	**1,764,128**	1,386,021	**1,417,581**	1,147,383
Transfer In	**–**	–	**460,586**	–
Actuarial (gains)/losses	**(2,588,150)**	3,175,515	**(1,578,025)**	2,027,154
	20,051,991	18,576,371	**16,425,654**	14,650,324

30. Retirement Benefit Obligation (Cont'd)

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Payments during the year	**(64,983)**	(935,097)	**–**	(935,097)
At the end of the year	**19,987,008**	17,641,274	**16,425,654**	13,715,227
Expense recognised in profit or loss;				
Interest cost	**1,764,128**	1,386,021	**1,417,581**	1,147,383
Current service cost	**3,234,739**	2,464,665	**2,870,871**	1,914,264
	4,998,867	3,850,686	**4,288,452**	3,061,647
Actuarial gains or losses recognised in other comprehensive income				
Recognised during the year	**(2,588,150)**	3,175,515	**(1,578,025)**	2,027,154

The average yield of treasury bond rate has been used as the discounted rate.

The Group operates a retirement benefit plans under the regulatory frameworks in Sri Lanka under payment of Gratuity Act No. 12 of 1983. The level of benefit provided depends on members' length of service and their monthly salary in each year leading up to retirement. This plan is not subject to receive inflationary increases once in payment. The Group does not maintain any trustee administered funds instead the plan is funded by the Group as and when the obligation falls due. The actuarial valuation was carried out by a professional qualified firm of actuaries, Messrs Actuarial and Management Consultants (Pvt) Ltd as at 31 March 2026 using " Projected Unit Credit Method" recommended by LKAS 19 – " Employee Benefits".

30.1 Principal Actuarial Assumptions Used;

As at 31 March	Group		Company	
	2026	2025	2026	2025
Rate of discount (%)	**11**	10	**11**	10
Expected salary increment rate (%)	**10**	10	**10**	10
Staff turnover factor (%)	**8**	10	**8**	10
Retirement age	**60 Years**	60 Years	**60 Years**	60 Years

Assumptions regarding future mortality are based on 1967/70 Mortality Tables issued by Institute of Actuaries, London.

The weighted average duration of the retirement benefit obligation of the Company and the subsidiaries at the end of the reporting period is 7.9 years and 9.2 years respectively. The expected maturity analysis of undiscounted retirement benefit obligation is as follows;

30. Retirement Benefit Obligation (Cont'd)

30.2 Maturity Profile of The Retirement Benefit Obligation Plan

	Group		Company	
As at 31 March	2026	2025	2026	2025
Less than next 12 months	**1,438,859**	3,558,974	**1,203,752**	3,113,090
Between 1-2 years	**3,176,972**	5,334,264	**2,761,589**	4,715,893
Between 2-5 years	**3,980,940**	4,055,990	**3,251,121**	3,325,352
Between 5-10 years	**3,795,996**	2,562,321	**2,770,401**	1,663,138
Over 10 years	**7,594,241**	2,129,725	**6,438,791**	897,754
	19,987,008	17,641,274	**16,425,654**	13,715,227

30.3 Sensitivity of Assumptions Employed in Actuarial Valuation

The following table demonstrates the sensitivity to a reasonable possible change in key assumptions employed with all other variables held constant in the retiring benefit obligations measurement as at 31 March 2026. The sensitivity of the statement of financial position and statement of profit or loss is the effect of the assumed changes in the discount rate, salary escalation rate and staff turnover rate on the profit or loss and retiring benefit obligation for the year.

	Group		Company	
As at 31 March	LKR +1%	LKR -1%	LKR +1%	LKR -1%
A one percentage point change in discount rate				
As at 31 March 2026 increase/(decrease)	**18,585,134**	(21,568,087)	**15,306,187**	(17,682,287)
As at 31 March 2025 increase/(decrease)	**16,910,822**	(18,450,802)	**13,278,970**	(14,183,586)
A one percentage point change in salary escalation rate				
As at 31 March 2026 increase/(decrease)	**21,660,814**	(18,481,001)	**17,757,495**	(15,221,738)
As at 31 March 2025 increase/(decrease)	**18,522,953**	(16,830,640)	**14,240,310**	(13,217,413)
A one percentage point change in staff turnover rate				
As at 31 March 2026 increase/(decrease)	**20,003,650**	(19,963,830)	**16,442,216**	(16,404,607)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In Practice, this is unlikely to occur, and changes in some of the assumptions may be co-related. When calculating the sensitivity of the retirement benefit obligation to significant actuarial assumptions the same method (Present value of retirement obligation calculated with the projected unit credit method at end of the reporting period) has been applied as when calculating the retirement benefit obligation recognised in the statement of financial position.

31. Lease Liabilities

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year	**109,612,293**	85,927,425	**53,375,046**	34,128,913
New lease obtained during the year	**–**	31,906,893	**–**	27,758,961
Lease rentals paid during the year	**(25,048,020)**	(18,929,390)	**(18,719,160)**	(12,767,390)
Accretion of interest	**10,812,443**	10,707,365	**4,182,602**	4,254,562
At the end of the year	**95,376,716**	109,612,293	**38,838,488**	53,375,046
Maturity analysis of lease liability – discounted				
Due within one year	**16,691,578**	14,580,200	**16,644,189**	14,536,558
	16,691,578	14,580,200	**16,644,189**	14,536,558
Due after one year and within five years	**23,691,784**	39,270,015	**22,194,299**	38,838,488
Due after five years	**54,993,354**	55,762,078	**–**	–
	78,685,138	95,032,093	**22,194,299**	38,838,488
	95,376,716	109,612,293	**38,838,488**	53,375,046
Maturity analysis of lease payment – undiscounted				
Due within one year	**25,941,615**	25,048,020	**19,440,889**	18,719,160
	25,941,615	25,048,020	**19,440,889**	18,719,160
Due after one year and within five years	**52,156,586**	77,398,201	**23,554,557**	42,995,446
Due after five years	**129,554,999**	130,654,999	**–**	–
	181,711,585	208,053,200	**23,554,557**	42,995,446
	207,653,200	233,101,220	**42,995,446**	61,714,606

31. Lease Liabilities (Cont'd)

31.1 Set out below are the Carrying Amounts of Lease Liabilities;

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Land	**56,538,228**	56,237,247	**–**	–
Office premises	**38,838,488**	53,375,046	**38,838,488**	53,375,046
	95,376,716	109,612,293	**38,838,488**	53,375,046

32. Interest Bearing Loans and Borrowings

As at 31 March	Group		Company	
	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year	**2,853,162,321**	1,657,435,644	**87,583,400**	162,357,800
New loans obtained during the year	**3,509,850,964**	1,975,890,155	**–**	–
Repayments made during the year	**(429,389,128)**	(780,163,478)	**(52,969,400)**	(74,774,400)
	5,933,624,157	2,853,162,321	**34,614,000**	87,583,400
Accrued interest	**30,832,506**	8,845,687	**–**	–
Loan processing fees	**(25,108,836)**	(24,536,836)	**(392,254)**	(915,258)
At the end of the year	**5,939,347,827**	2,837,471,172	**34,221,746**	86,668,142
Due within one year – Loan repayment	**1,093,241,304**	337,478,571	**34,614,000**	52,969,400
Due within one year – Accrued interest	**30,832,506**	8,845,695	**–**	–
Due within one year – Loan processing fees	**(4,147,640)**	(3,672,092)	**(392,254)**	(523,004)
	1,119,926,170	342,652,174	**34,221,746**	52,446,396
Due after one year and within five years	**3,449,305,248**	1,538,265,410	**–**	34,614,000
Due after one year and within five years – Loan processing fees	**(13,745,098)**	(12,748,833)	**–**	(392,254)
Due after five years	**1,391,077,605**	977,418,332	**–**	–
Due after five years – Loan processing fees	**(7,216,098)**	(8,115,911)	**–**	–
	4,819,421,657	2,494,818,998	**–**	34,221,746

32. Interest Bearing Loans and Borrowings (Cont'd)

32.1 Security and Loan Repayment Terms

Loan obtained By	Bank	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR	Facility Value LKR
Panasian Power PLC	Sampath Bank PLC	**–**	6,815,000	–	6,815,000	200,000,000
	Commercial Bank of Ceylon PLC	**34,614,000**	80,768,400	**34,614,000**	80,768,400	150,000,000
Padiyapelella Hydropower Ltd	Sampath Bank PLC	**107,000,000**	167,000,000	–	–	500,000,000
Panasian Investments (Pvt) Ltd	National Development Bank PLC	**59,070,880**	8,195,100	–	–	150,000,000
	Sampath Bank PLC	**–**	–	–	–	150,000,000
	Union Bank of Colombo PLC	**39,183,531**	15,270,435	–	–	100,000,000
Eco Green Solar Solutions (Pvt) Ltd	Sampath Bank PLC	**1,560,000**	13,560,000	–	–	50,000,000
		38,400,000	39,950,000	–	–	70,000,000
Solar Power Generation Matara (Pvt) Ltd	Sampath Bank PLC	**128,000,000**	152,000,000	–	–	240,000,000

32. Interest Bearing Loans and Borrowings (Cont'd)

Purpose	Interest Rate	Repayment Term	Security
To absorb a part of the existing term loan of LKR 320Mn. granted to part finance the acquisition cost of Padiyapelella Hydropower Ltd	AWPLR + 1%	84 monthly installments	Primary mortgage bond of LKR 320 Mn. over project lands together with project assets including civil structures, power generating plants machinery and other equipment of Manelwala mini hydro power project (This security has been released in year 2026)
To re-structure TOD facility of LKR 150,000,000/-	AWPLR + 1.5%	42 monthly installments (including 3 months grace period)	Corporate guarantee for LKR 80,000,000/- of R I L Property PLC
To absorb a part of the term loans granted to Panasian Power PLC to part finance the acquisition and implementation cost of Padiyapelella mini hydropower project	AWPLR + 1%	120 monthly installments	Primary mortgage bond of LKR 490Mn. over project lands together with project assets including civil structures, power generating plants machinery and other equipment of Padiyapelella mini hydropower Project Primary mortgage bond for LKR 10 Mn. over 100% of shares issued by Padiyapelella Hydropower Ltd and owned by Panasian Power PLC and Palace Path Holding (Pvt) Ltd, supported by an irrevocable power of attorney from the shareholders in favour of Sampath Bank PLC with the right to transfer the shares mortgaged to the bank
To facilitate the import of solar panels and inverters	AWPLR +1.5%	Maximum 90 days from date of grant	Lien over fixed deposit and monthly saving build up Primary mortgage over stocks and book debts for LKR 150 Mn. and corporate guarantee from Panasian Power PLC for LKR 150 Mn.
To facilitate the import of solar panels and inverters	AWPLR + 2%	Maximum 120 days from date of grant	Lien over weekly saving build up and LKR 150 Mn. corporate guarantee from Panasian Power PLC
To facilitate the import of solar panels and inverters	AWPLR + 2%	Maximum 120 days from date of grant	Mortgage over stock, book debt for LKR 100 Mn. and LKR 100 Mn. corporate guarantee from Panasian Power PLC
To part finance Beliatta 1 SBSPII solar pv project	AWPLR + 1%	84 monthly installments (including 12 months grace period)	Primary Mortgage Bond of LKR 85 Mn. over project assets (excluding land), including buildings, machinery, equipment, documents, approvals, licenses, permits, receivables, and book debts in favour of Sampath Bank PLC Primary Mortgage Bond of LKR 50 Mn. over 100% of the borrower's shares, supported by blank share transfer forms and an irrevocable power of attorney in favour of Sampath Bank PLC
To part finance Beliatta 1 SBSPII solar pv project	AWPLR + 1%	120 monthly installments (including 12 months grace period)	
To part finance 1 MW Matara 2 SBPII solar pv power project & 1 MW Matara 3 SBPII solar pv power project	AWPLR + 1%	132 monthly instalments (including 12 months grace period)	Primary mortgage over free hold rights of project land marked as Lot II and Lot 1H a sum of LKR 260 Mn. Additional mortgage bond for LKR 260 Mn. over entirety of shares issued to Solar Power Generation Matara (Private) Ltd supported by an irrecoverable power of attorney in favour of Sampath Bank PLC

32. Interest Bearing Loans and Borrowings (Cont'd)

Loan obtained By	Bank	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR	Facility Value LKR
Panthree Solaro Energy (Pvt) Ltd	Sampath Bank PLC	**68,000,000**	80,000,000	–	–	120,000,000
		–		–	–	–
	Seylan Bank PLC	**26,100,000**	37,650,000	–	–	60,000,000
		70,000,000	70,000,000	–	–	70,000,000
		23,900,000	34,900,000	–	–	54,000,000
		65,000,000	65,000,000	–	–	65,000,000
Pap Solar One (Pvt) Ltd	National Development Bank PLC	**65,091,658**	87,291,658	–	–	325,000,000
Rajarata Sustainable Development (Pvt) Ltd	National Development Bank PLC (Restructured facilities)	**108,375,000**	111,375,000	–	–	112,650,000
		21,014,037	63,052,449	–	–	68,769,376
Finergreen Rajarata (Pvt) Ltd	National Development Bank PLC (Restructured facilities)	**111,300,000**	111,900,000	–	–	112,650,000
		27,526,727	57,537,611	–	–	67,807,940

32. Interest Bearing Loans and Borrowings (Cont'd)

Purpose	Interest Rate	Repayment Term	Security
To Part finance setting up cost of a ground mounted solar project at Matara	AWPLR + 1%	132 monthly instalments (including 12 months grace period)	Primary mortgage over land, project assets and documents for LKR 130 Mn. Additional mortgage bond for LKR 90 Mn. and for LKR 40 Mn. over entirety of shares issued by Panthree Solaro Energy (Private) Ltd
To finance ground solar project in Maho	AWPLR + 1%	59 monthly installments (including 4 months grace period)	Primary mortgage over land, project assets and documents for LKR 130 Mn. and corporate guarantee for LKR 130 Mn. from Panasian Power PLC
To finance ground solar project in Maho	AWPLR + 1%	110 monthly installments (including 62 months grace period)	
To finance ground solar project in Pannala	AWPLR + 1%	60 monthly installments (including 4 months grace period)	Primary mortgage over land, project assets and documents for LKR 119 Mn. and corporate guarantee for LKR 119 Mn. from Panasian Power PLC
To finance ground solar project in Pannala	AWPLR + 1%	110 monthly installments (including 62 months grace period)	
To finance the cost of installation of solar power panels in the factory roof of Hela Clothing (Pvt) Ltd at Mawathagama, Narammala, Uhumeeya, Melsiripura, Palapathwala	AWPLR + 2%	54 monthly installments	Primary mortgage over project assets including the access rights
Install and commission 2.5 MW rooftop solar power project in the district of Anuradhapura	AWPLR + 3.25%	84 monthly installments (including 9 months grace period)	Primary mortgage over the movable project assets including machinery, documents. licenses, approvals, agreements, contract, bonds, cash flows, book debts, insurance proceeds and receivables
	AWPLR +0.25%	42 monthly installments (including 9 months grace period)	Primary mortgage over project lands (freehold and leasehold) upon the borrower obtaining title to the said lands Primary mortgage over 100% shares of the borrower held by Pap Solar One (Private) Ltd LKR 230 Mn. corporate guarantee from Panasian Power PLC
Install & commission 2.5MW rooftop solar power project in the district of Anuradhapura	AWPLR + 3.25%	59 monthly installments (including 9 months grace period)	Primary mortgage over the movable project assets including machinery, documents. licenses, approvals, agreements, contract, bonds, cash flows, book debts, insurance proceeds and receivables
	AWPLR + 0.25%	47 monthly installments (including 9 months grace period)	Primary mortgage over project lands (freehold and leasehold) upon the borrower obtaining title to the said lands Primary mortgage over 100% shares of Pap Solar One (Private) Ltd LKR 230 Mn. corporate guarantee from Panasian Power PLC

32. Interest Bearing Loans and Borrowings (Cont'd)

Loan obtained By	Bank	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR	Facility Value LKR
PAP PTS Solar (Pvt) Ltd	DFCC Bank PLC	**660,193,943**	345,744,452	–	–	970,000,000
		–	–	–	–	15,000,000
		766,798,615	350,000,000	–	–	970,000,000
		–	–	–	–	15,000,000
PAP EGSS Solar (Pvt) Ltd	Commercial Bank of Ceylon PLC	**712,791,452**	413,660,103	–	–	845,000,000
		599,347,691	204,380,879	–	–	801,000,000
		600,359,616	337,111,226	–	–	825,000,000

32. Interest Bearing Loans and Borrowings (Cont'd)

Purpose	Interest Rate	Repayment Term	Security
To finance 5MW ground solar project in Maho	12.90%	108 monthly installments (including 12 months grace period)	Primary mortgage over leasehold land together with building and everything else thereon for LKR 925 Mn. Primary mortgage for LKR 25 Mn. over shares of 5,000,000 of the company together with the provision to mortgage all shares issued by the company in the future up to value of LKR 210 Mn. and special power of attorney in favour of the bank with the right to transfer the shares mortgaged to DFCC Bank. Additional security over project documents LKR 1,135 Mn. corporate guarantee from R-E-D Capital Asia (Pvt) Ltd.
For working capital requirements.	AWPLR + 3%	On demands	
To finance 5MW ground solar project in Matara	12.90%	108 monthly installments (including 12 months grace period)	Primary mortgage over freehold land together with all the project assets including proposed building , completed solar plant, and electrical grid for LKR 925 Mn. Primary mortgage for LKR 25 Mn. over shares 5,000,000 of the Company together with the provision to mortgage all shares issued by the company in the future up to value of LKR 210 Mn. and special power of attorney in favour of the bank with the right to transfer the shares mortgaged to DFCC Bank. Additional security over project documents LKR 1,135 Mn. corporate guarantee from R-E-D Capital Asia (Pvt) Ltd
For working capital requirements	AWPLR + 3%	On demands	
Finance the construction cost of 5Mw ground solar power project in Baddegama, Galle.	First 5 years 12.25% & balance 4 years at AWPLR + 1.25%	108 monthly installments (including 12 months grace period)	Primary mortgage bond over freehold lands and immovable project assets in Baddegama for LKR 295 Mn. Primary mortgage bond over movable project assets including book debts, insurance proceeds, and receivables, project documents in Baddegama for LKR 600 Mn. Primary mortgage of for LKR 100 Mn. over shares owned by R-E-D Capital Asia (Pvt) Ltd and additional share issue in future, Special power of attorney in favour of the bank with the right to transfer the shares mortgaged to Commercial Bank.
Finance the construction cost of 5Mw ground solar power project in Hiyare, Galle.	First 5 years 12.25% & balance 4 years at AWPLR + 1.25%	108 monthly installments (including 12 months grace period)	Primary mortgage bond over leasehold lands and immovable project assets in Hiyare for LKR 251 Mn. Primary mortgage bond over movable project assets including book debts, insurance proceeds, and receivables, project documents in Hiyare for LKR 600 Mn. Primary mortgage of for LKR 100 Mn. over shares owned by R-E-D Capital Asia (Pvt) Ltd and additional share issue in future, special power of attorney in favour of the bank with the right to transfer the shares mortgaged to Commercial Bank.
Finance the construction cost of 5Mw ground solar power project in Anuradhapura	First 5 years 12.25% & balance 4 years at AWPLR + 1.25%	108 monthly installments (including 12 months grace period)	Primary mortgage bond over leasehold lands and immovable project assets in Anuradhapura for LKR 105 Mn. Primary mortgage bond over movable project assets including book debts, insurance proceeds, and receivables, project documents in Anuradhapura for LKR 770 Mn. Primary mortgage of for LKR 100 Mn. over shares owned by R-E-D Capital Asia (Pvt) Ltd and additional share issue in future, special power of attorney in favour of the bank with the right to transfer the shares mortgaged to Commercial Bank.

32. Interest Bearing Loans and Borrowings (Cont'd)

Loan obtained By	Bank	Group 2026 LKR	Group 2025 LKR	Company 2026 LKR	Company 2025 LKR	Facility Value LKR
PAP MHPL Solar (Pvt) Ltd	Hatton National Bank PLC	**800,000,000**	–	**—**	–	800,000,000
		800,000,000	–	–	–	800,000,000
Carrying amount		**5,933,624,157**	2,853,162,321	34,614,000	87,583,400	–

33. Deferred Taxation

As at 31 March	Note	Group 2026 LKR	Group 2025 (Restated) LKR	Group 2024 (Restated) LKR	Company 2026 LKR	Company 2025 (Restated) LKR	Company 2024 (Restated) LKR
Balance as at beginning of the year		**(386,322,262)**	(433,870,090)	(569,451,857)	**86,389**	(11,133,999)	(155,927,383)
Origination and reversal of temporary difference							
– Recognised in profit or loss	33.1.1	**1,287,245,977**	46,710,618	134,943,462	**(9,043,048)**	10,612,243	144,217,050
– Recognised in other comprehensive income	33.1.1	**(699,114)**	837,210	638,305	**(473,408)**	608,146	576,334
Balance as at end of the year		**900,224,601**	(386,322,262)	(433,870,090)	**(9,430,067)**	86,389	(11,133,999)

32. Interest Bearing Loans and Borrowings (Cont'd)

Purpose	Interest Rate	Repayment Term	Security
To part finance the development cost of proposed 5 Mw ground mounted solar project at Ampara	First 04 years at 11.5% per annum (April 2025 to 30 November 2025 rate 12%), thereafter AWPLR + 0.5% (monthly review)	96 monthly installments (including 12 months grace period)	Primary mortgage bond for LKR.950 Mn. over movable project assets of the development of 5Mw ground mounted solar project at Ampara Primary mortgage bond for LKR 950 Mn. over lease hold right of immovable property situated at Ampara. Assignment of all project documents, receivable of borrower,insurance etc. favour of the Bank by way of further and additional mortgage bond Mortgage bond for LKR 42,000,010 over 4,200,001 no. of shares of the borrower along with a special power of attorney. 03 Months debt service reserve to be built up within a period of 18 months from the date of commencement of commercial operation.
To part finance the development cost of proposed 5 Mw ground mounted solar project at Kurunegala	First 04 years at 11.5% per annum (April 2025 to 30 November 2025 rate 12%), thereafter AWPLR +0.5% (monthly review)	96 monthly installments (including 12 months grace period)	Primary mortgage bond for LKR 950 Mn. over immovable property along with project assets of the development of 5 Mw ground mounted solar project at Kurunegala. Assignment of all project documents, receivables of the borrower, insurance etc. in favour of the bank by way of further and additional mortgage bond. Mortgage bond for LKR 42,000,010/- over 4,200,001 no of shares of the borrower along with a special power of attorney 03 months debt service reserve to be built up within a period of 18 months from the date of commencement of commercial operation

33.1 Net Deferred Tax Assets/(Liabilities) – (Group)

The composition of deferred tax assets and liabilities as follows:

As at 31 March	Assets 2026 LKR	Liabilities 2026 LKR	Assets 2025 LKR	Liabilities 2025 LKR	Assets 2024 LKR	Liabilities 2024 LKR
Net deferred tax (liabilities)/assets						
Property, plant and equipment	**(262,462,490)**	**(449,249,578)**	(8,496,083)	(593,631,497)	(22,202)	(485,533,808)
Provisions	**12,463,836**	**13,501,806**	1,146,109	1,613,009	–	4,978,145
Intangible assets	**–**	**155,939**	380,968	(82,500)	–	429,800
Tax losses carried forward	**1,373,769,390**	**202,714,205**	1,242,827	202,714,205	815,679	38,779,131
Retirement benefit obligations	**701,215**	**4,996,442**	4,261,549	687,221	–	3,293,198
Lease liabilities	**346,466**	**3,287,370**	3,693,126	148,804	–	3,389,965
	1,124,818,417	**(224,593,816)**	2,228,496	(388,550,758)	793,477	(434,663,568)
Net deferred tax assets/(liabilities)		**900,224,601**		(386,322,262)		(433,870,090)

33. Deferred Taxation (Cont'd)

33.1.1 Recognised Deferred Tax Assets/(Liabilities) – (Group)

As at 31 March	Net balance as at 1 April 2025 LKR	Recognised in profit or loss LKR	Recognised in OCI LKR	Net balance as at 31 March 2026 LKR	Deferred tax liability LKR	Deferred tax asset LKR
Property, plant and equipment	(602,127,579)	(109,584,489)		(711,712,068)	(449,249,578)	(262,462,490)
Provisions	2,759,119	23,206,523	–	25,965,642	13,501,806	12,463,836
Intangible assets	298,468	(142,529)	–	155,939	155,939	–
Tax losses carried forward	203,957,030	1,372,526,565	–	1,576,483,595	202,714,205	1,373,769,390
Retirement benefit obligations	4,948,771	1,448,000	(699,114)	5,697,657	4,996,442	701,215
Lease liabilities	3,841,929	(208,093)	–	3,633,836	3,287,370	346,466
	(386,322,262)	1,287,245,977	(699,114)	900,224,601	(224,593,816)	1,124,818,417

As at 31 March	Net balance as at 01 April 2024 (Restated) LKR	Recognised in profit or loss LKR	Recognised in OCI LKR	Net balance as at 31 March 2025 LKR	Deferred tax liability LKR	Deferred tax asset LKR
Property, plant and equipment	(485,556,008)	(116,571,571)		(602,127,579)	(593,631,497)	(8,496,082)
Provisions	4,858,965	(2,099,847)	–	2,759,119	1,613,009	1,146,110
Intangible assets	429,801	(131,333)	–	298,468	(82,500)	380,968
Tax losses carried forward	39,594,810	164,362,220	–	203,957,030	202,714,205	1,242,825
Employee benefits	3,412,377	699,185	837,210	4,948,771	687,221	4,261,550
Lease liabilities	3,389,965	451,964	–	3,841,929	148,804	3,693,125
	(433,870,090)	46,710,618	837,210	(386,322,262)	(388,550,758)	2,228,496

33.1.2 The Group's total tax losses amounted to LKR 8.5 Bn. (2025: LKR 3.32 Bn.). Out of this, a deferred tax asset of LKR 1.5 Bn. (2025: LKR 679.86 Mn.) was recognised to the extent that future taxable profits are expected to be available, based on management's tax forecast over the next six years.

The unrecognised deferred tax asset of the Group stood at LKR 984 Mn. (2025: LKR 793.53 Mn.), relating to the remaining unutilised tax losses of LKR 3.2 Bn. (2025: LKR 2.64 Bn.). This portion was not recognised due to uncertainty regarding the availability of future taxable profits against which the deferred tax asset could be utilised.

33.1.3 Uncertain Tax Treatment – Enhanced Capital Allowances (IFRIC 23)

The Group has applied IFRIC 23 – Uncertainty over income tax treatments in these Financial Statements and has recognised the tax effects of uncertain income tax treatments where it is not probable that the tax treatment applied will be fully accepted by the tax authorities.

Provision for Uncertain Income Tax

PAP PTS Solar (Pvt) Ltd and PAP SPGM Solar (Pvt) Ltd were incorporated under the Companies Act, No. 7 of 2007 on 10 October 2023, for the purpose of undertaking solar power projects. Both companies completed the construction of their respective solar power plants and commenced commercial operations during the financial year ended 31 March 2026.

For strategic commercial reasons, PAP SPGM Solar (Pvt) Ltd. was amalgamated with PAP PTS Solar (Pvt) Ltd. on 31 March 2026 in accordance with the provisions of the Companies Act, No. 7 of 2007, with PAP PTS Solar (Pvt) Ltd. continuing as the amalgamated entity. Accordingly, pursuant to Sections 245 (d) and 245 (e) of the Companies Act, the amalgamated company succeeded to all assets, liabilities, rights and obligations of the amalgamating company.

The group exercised significant judgement in assesing the eligibility of the amalgamated entity to claim enhanced capital allowances under the Inland Revenue Act No. 24 of 2017. As the legislation does not specifically address the treatement of such allowances following an amalgamation , management evaluvated the relavant legal and tax provision in determining whether the tax benefits attributable to the amalgamating entity could be utilised by the amalgamated entity.This assesment form the basis for the recognition of the related deferred tax asset.

33. Deferred Taxation (Cont'd)

Sensitivity Analysis

The final outcome of this uncertain tax treatment is dependent on the interpretation adopted by the Inland Revenue Department or any future judicial determination. The possible financial effects are as follows:

- If the tax authorities accept the enhanced capital allowance claim in full:

The Group would recognise an additional deferred tax asset and a corresponding reduction in income tax expense in profit or loss. The additional deferred tax asset that may be recognised is approximately LKR 217.8 Mn., resulting in a total deferred tax asset of approximately LKR 435.7 Mn. Of the additional deferred tax asset, approximately LKR 106.7 Mn. would be attributable to non-controlling interests based on the 49% ownership interest in the subsidiary.

- If the tax authorities disallow the enhanced capital allowance claim in full:

The Group would be required to derecognise the deferred tax asset recognised in these Financial Statements and recognise a corresponding increase in income tax expense in profit or loss amounting to approximately LKR 217.8 Mn. Of this amount, approximately LKR 106.7 Mn. would be attributable to non-controlling interests based on the 49% ownership interest in the subsidiary. We have assumed 50:50 probability for the above two scenarios.

The Group will continue to monitor developments relating to this matter and will revise its estimates and related tax balances as additional information becomes available or when the matter is concluded with the tax authorities.

33.2 Net Deferred Tax Assets/(Liabilities) – (Company)

Composition of deferred tax assets and liabilities is as follows,

As at 31 March	Assets 2026 LKR	Liabilities 2026 LKR	Assets 2025 (Restated) LKR	Liabilities 2025 (Restated) LKR	Assets 2024 (Restated) LKR	Liabilities 2024 (Restated) LKR
Deferred tax assets/(liabilities)						
Property, plant and equipment	–	(20,911,821)	–	(8,102,273)	–	(23,041,608)
Intangible assets	238,440	–	380,968	–	512,300	–
Provisions	3,202,510	–	–	–	–	–
Employee benefits	4,927,695	–	4,114,568	–	2,868,457	–
Lease liabilities	3,113,109	–	3,693,126	–	3,266,763	–
Tax losses carried forward	–	–	–	–	5,260,089	–
	11,481,754	(20,911,821)	8,188,662	(8,102,273)	11,907,609	(23,041,608)
Net deferred tax (liabilities)/assets		(9,430,067)		86,389		(11,133,999)

33.2.1 Recognised Deferred Tax Assets/(Liabilities) – (Company)

As at 31 March	Net balance as at 1 April 2025 LKR	Recognised in profit or loss LKR	Recognised in OCI LKR	Net balance as at 31March 2026 LKR	Deferred tax liability LKR	Deferred tax asset LKR
Property, plant and equipment	(8,102,273)	(12,809,548)	–	(20,911,821)	(20,911,821)	–
Intangible assets	380,968	(142,528)	–	238,440	–	238,440
Provisions	–	3,202,510	–	3,202,510	–	3,202,510
Employee benefits	4,114,568	1,286,535	(473,408)	4,927,695	–	4,927,695
Lease liabilities	3,693,126	(580,017)	–	3,113,109	–	3,113,109
	86,389	(9,043,048)	(473,408)	(9,430,067)	(20,911,821)	11,481,754

33. Deferred Taxation (Cont'd)

As at 31 March	Net balance as at 1 April 2024 LKR	Recognised in profit or loss LKR	Recognised in OCI LKR	Net balance as at 31 March 2025 LKR	Deferred tax liability LKR	Deferred tax asset LKR
Property, plant and equipment	(23,041,608)	14,939,335	–	(8,102,273)	(8,102,273)	–
Intangible assets	512,300	(131,332)		380,968	–	380,968
Employee benefits	2,868,457	637,966	608,146	4,114,568	–	4,114,568
Lease liabilities	3,266,763	426,363		3,693,126	–	3,693,126
Tax losses carried forward	5,260,089	(5,260,089)		–	–	–
	(11,133,999)	10,612,243	608,146	86,389	(8,102,273)	8,188,662

34. Amount due to Related Companies

		Group		Company	
As at 31 March	Relationship	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Panthree Solaro Energy (Pvt) Ltd	Subsidiary	**–**	–	**30,330,981**	–
Finergreen Rajarata (Pvt) Ltd	Subsidiary	**–**	–	**12,303,208**	–
Padiyapelella Hydropower Ltd	Subsidiary	**–**	–	**80,218,181**	113,813,525
Solar Power Generation Matara (Pvt) Ltd	Subsidiary	**–**	–	**246,184**	–
PAP PTS Solar (Pvt) Ltd	Subsidiary	**–**	–	**–**	55,728,285
		–	–	**123,098,554**	169,541,810

35. Trade and Other Payables

	Group		Company	
As at 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Trade creditors	**31,985,027**	582,864,955	**–**	–
Related party creditors	**18,154**	3,642	**–**	–
Dividend payable	**5,244,702**	16,691,367	**5,244,702**	6,937,617
Other payables and provisions	**77,018,234**	63,867,664	**8,316,729**	6,821,644
Accrued expenses	**121,519,335**	55,584,507	**34,754,927**	12,800,275
Advance receipts from customers	**11,463,941**	–	**–**	–
	247,249,393	719,012,135	**48,316,358**	26,559,536

All trade payables are unsecured.

The carrying value of accruals and other payables are considered to be the same as their fair values due to their short-term nature.

36. Provisions

	Group		Company	
As at 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Restoration cost	**57,554,334**	–	**–**	–

36. Provisions (Cont'd)

During the financial year, the Group's operations at Panthree Solaro Energy (Pvt) Ltd. – Pannala Solar Power Plant, Manelwala Hydropower (Pvt) Ltd., and Padiyapelella Hydropower Ltd sustained significant damage due to cyclone Ditwah. Based on management's assessment of the extent of damage and estimated restoration requirements, restoration provisions were recognised in respect of all three sites, representing the best estimate of the expenditure required to restore the affected operations.

The related restoration costs have been accounted for based on the nature of the expenditure and the expected future economic benefits arising from the restoration activities. Restoration expenditure relating to the Pannala solar power plant of Panthree Solaro Energy (Pvt) Ltd. has been capitalised as part of property, plant and equipment, as the restoration is expected to reinstate the asset's service potential and enable the continuation of future economic benefits. In contrast, restoration costs relating to Manelwala Hydropower (Pvt) Ltd. and Padiyapelella Hydropower Ltd. have been recognised in profit or loss, as the expenditure primarily relates to repairs and restoration of the assets to their original operating condition without generating significant additional future economic benefits.

The Group will continue to review the adequacy of the provisions and revise the estimates as further information becomes available.

37. Income Tax Payable/(Receivable)

		Group		Company	
As at 31 March	Note	2026 LKR	2025 LKR	2026 LKR	2025 LKR
At the beginning of the year		**114,463,340**	78,284,275	**12,506,313**	–
Prior period adjustment		**37,134**	–	**–**	–
During the year provision		**99,705,485**	158,191,245	**8,228,788**	15,710,797
Income tax over provision for previous year	12.1	**(1,313,186)**	(3,218,968)	**–**	–
WHT claimed against income tax		**(192,498)**	(1,411,173)	**(2,227)**	(426,721)
During the year payments		**(129,156,927)**	(117,382,039)	**(12,504,086)**	(2,777,763)
At the end of the year		**83,543,348**	114,463,340	**8,228,788**	12,506,313
Income tax payable		**89,992,525**	120,912,517	**8,228,788**	12,506,313
Income tax receivable		**(6,449,177)**	(6,449,177)	**–**	–
Net balance		**83,543,348**	114,463,340	**8,228,788**	12,506,313

38. Related Party Transaction

38.1 Parent and Ultimate Parent

The Company's controlling entity and ultimate parent undertaking is RIL Property PLC which is incorporated in Sri Lanka.

38.2 Key Management Personnel and Related Companies

According to Sri Lanka Accounting Standards LKAS 24 – Related Party Disclosure "Key Management Personnel" are those having the authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the directors (including executive and non executive directors) and senior managers have been classified as KMP of the Company.

38. Related Party Transaction (Cont'd)

38.3 Terms and Conditions of Transactions with Related Companies

The Group and the Company carried out transactions in the ordinary course of business with the following related entities disclosed in Note 38.4 and 38.5 The list of directors at each of these subsidiaries, and joint ventures have been disclosed on page 134-135 in the Annual Report.

Governance structure, nature of the entity's relationship, principal place of business and the country of incorporation have been disclosed in the page 205 of the Annual Report.

Transactions with related parties are carried out in the ordinary course of business. Outstanding current account balances at year-end are unsecured, and interest charges at AWPLR + 1%.

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Non-recurrent related party transactions

There were no non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total asset whichever is lower of the Company as per 31 March 2025 Audited Financial Statements, which required additional disclosures in the 2025/26 Annual Report under Colombo Stock Exchange (CSE) listing rules 9.14.8 and code of best practice on related party transactions under Security and Exchange Commission Directives issued under Section 13 (c) of the Security and Exchange Commission Act other than disclosed in below table.

Name of the related party	Relationship	Value of the related party transaction(s) entered into during the financial year LKR	Value of related party transaction(s) as a % of equity (%)	Value of related party transaction(s) as a % of total assets (%)	Terms and conditions of the related party transaction(s)	The rationale for entering into the transaction(s)
Panasian Solar (Pvt) Ltd	Subsidiary	15,000,000	1	0.8	Ordinary shares with voting right	Capitalisation of intercompany dues
Lower Kotmale Oya Power Two (Pvt) Ltd	Subsidiary	3,800,000	0.2	0.2	Ordinary shares with voting right	Capitalisation of intercompany dues
Solar One Asia (Pvt) Ltd	Subsidiary	6,300,000	0.4	–	Ordinary shares with voting right	Capitalisation of intercompany dues
PAP MHPL Solar (Pvt) Ltd	Subsidiary	55,837,490	3.6	2.9	Ordinary shares with voting right	Invest in new shares
PAP EGSS Solar (Pvt) Ltd	Subsidiary	87,194,300	5.6	4.6	Ordinary shares with voting right	Invest in new shares
PAP PTS Solar (Pvt) Ltd	Subsidiary	30,434,670	2.1	1.6	Ordinary shares with voting right	Invest in new shares
Total		198,566,460	12.9	10.4		

38. Related Party Transaction (Cont'd)

Recurrent related party transactions

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue of the Group as per 31 March 2025 Audited Financial Statements, which required additional discoursers in the 2025/26 Annual Report under Colombo Stock Exchange (CSE) Listing Rule 9.14.8 and Code of Best Practices on Related Party Transactions under Securities and Exchange Commission Directives issued under Section 13 (c) of the Securities and Exchange Commission Act.

38.4 Related Party Transactions (Group)

Name of the Company	Relationship	Nature of Transaction	2026 LKR	2025 LKR
R I L Property PLC	Ultimate parent	Services	(9,715,131)	(10,787,069)
		Payments	72,802,782	10,514,700
		Sales	–	43,952,000
		Receipts	(1,130,061)	(18,221,939)
		Investment in shares	–	(3,700,000)
		Fund received for shares	–	3,700,000
		Intercompany loan granted	–	(310,000,000)
		Intercompany loan settlements	250,000,000	250,000,000
		Intercompany loan interests	(3,193,151)	(58,762,844)
		Dividend	(62,900,000)	–
		Share issued on capitalise interest	–	71,058,640
United Motors Lanka PLC	Fellow subsidiary	Services	(1,345,018)	(1,112,641)
		Payments	1,381,306	1,201,215
Powergen One (Pvt) Ltd	Joint venture	Fund transfers	1,441,422	(3,040,487)
		Administration and operational expenses	(443,841)	135,537
		Interests	–	(614,353)
		Shared costs	–	66,075
		Dividend	–	297,101
		Expense reimbursements	(1,363,030)	–
		Sales/(purchases)	478,045	–
		(Payments)/receipts	(474,403)	–
		Settlements	(3,642)	–

38. Related Party Transaction (Cont'd)

38.5 Related Party Transactions (Company)

Name of the Company	Relationship	Nature of Transaction	2026 LKR	2025 LKR
Panasian Investments (Pvt) Ltd	Subsidiary	Fund transfers	**(55,535,775)**	(12,000,322)
		Expenses reimbursements	**(84,764)**	2,041,083
		Interests	**1,501,598**	2,546,379
		Corporate guarantee charges	**6,000,000**	3,635,000
		Shared costs	**17,259,985**	20,431,307
Manelwala Hydropower (Pvt) Ltd	Subsidiary	Fund transfers	**(46,500,000)**	(17,046,869)
		Expense reimbursements	**1,217,573**	1,760,477
		Interests	**(3,413,987)**	(1,352,670)
		Shared costs	**27,545,405**	15,378,924
		Corporate Guarantee Charges	**–**	140,000
		Dividend	**22,465,594**	–
Padiyapelella Hydropower Ltd	Subsidiary	Fund transfers	**3,500,000**	(36,805,298)
		Expense reimbursements	**1,429,608**	1,786,276
		Interests	**(11,998,766)**	(10,754,831)
		Shared costs	**40,664,502**	27,455,576
Eco Green Solar Solutions (Pvt) Ltd	Subsidiary	Fund transfers	**(49,100,000)**	4,450,715
		Expense reimbursements	**476,074**	302,958
		Interests	**–**	5,902,792
		Interest write-offs	**(9,244,785)**	–
		Shared costs	**7,998,124**	3,797,632
Panthree Solaro Energy (Pvt) Ltd	Subsidiary	Fund transfers	**(26,750,000)**	4,469,997
		Expense reimbursements	**699,986**	400,860
		Interests	**–**	4,709,035
		Interest write-offs	**(9,351,342)**	–
		Corporate guarantee charges	**1,527,500**	3,260,000
		Investment in shares	**–**	(55,000,000)
		Shared costs	**–**	8,475,253
Pap Solar One (Pvt) Ltd	Subsidiary	Fund transfers	**(6,114,086)**	(34,634,762)
		Expense reimbursements	**570,646**	212,509
		Interests	**–**	533,346
		Interest write-offs	**(7,379,880)**	–
		Corporate guarantee charges	**–**	280,000
		Shared costs	**13,347,485**	9,934,074
Solar Power Generation Matara (Pvt) Ltd	Subsidiary	Fund transfers	**(3,500,000)**	(18,145,064)
		Expense reimbursements	**521,965**	331,756
		Interests	**–**	656,874
		Interests write-offs	**(7,789,148)**	–
		Corporate Guarantee Charges	**(962,503)**	770,000
		Shared costs	**11,483,502**	6,136,442

38. Related Party Transaction (Cont'd)

Name of the Company	Relationship	Nature of Transaction	2026 LKR	2025 LKR
Finergreen Rajarata (Pvt) Ltd	Subsidiary	Fund transfers	**(27,580,900)**	(12,822,082)
		Expense reimbursements	**536,369**	204,924
		Interests	**(601,224)**	6,285,483
		Investment in shares	**–**	(69,000,000)
		Corporate guarantee charges	**2,300,000**	2,300,000
		Shared costs	**13,042,547**	7,301,930
Rajarata Sustainable Development (Pvt) Ltd	Subsidiary	Fund transfers	**(7,093,429)**	(15,834,459)
		Expense reimbursements	**530,875**	202,656
		Interests	**–**	2,425,730
		Interest write-offs	**(8,607,748)**	–
		Corporate guarantee charges	**2,300,000**	2,300,000
		Investment in shares	**–**	(23,000,000)
		Shared costs	**13,042,547**	7,301,930
Lower Kotmale Oya Power Two (Pvt) Ltd	Subsidiary	Fund transfers	**500,000**	4,225,000
		Expense reimbursements	**2,513,856**	1,596,926
		Investment in shares	**(3,800,000)**	(12,000,000)
		Interests	**173,316**	778,466
Powergen One (Pvt) Ltd	Joint venture	Expense reimbursements	**252,833**	132,972
		Shared costs	**–**	66,075
PAP EGSS Solar (Pvt) Ltd	Subsidiary	Fund transfers	**(107,958)**	2,494,478
		Expense reimbursements	**107,958**	5,522
PAP MHPL Solar (Pvt) Ltd	Subsidiary	Fund transfers	**(48,882)**	12,927,394
		Expense reimbursements	**48,882**	5,522
		Corporate guarantee charges/income	**3,080,000**	–
PAP PTS Solar (Pvt) Ltd	Subsidiary	Fund transfers	**(24,617)**	27,970,790
		Expense reimbursements	**24,617**	5,522
		Corporate Guarantee Charges	**1,604,167**	–
		Transfer pursuant to amalgamation	**1,604,170**	–
PAP SPGM Solar (Pvt) Ltd	Subsidiary	Fund transfers	**55,706,654**	(10,400,000)
		Expense reimbursements	**21,630**	5,522
		Corporate guarantee charges	**1,604,170**	–
		Transfer on amalgamation (amalgamated with PAP PTS Solar (Pvt) Ltd w.e.f. 31 March 2026)	**(1,604,170)**	–

38. Related Party Transaction (Cont'd)

Name of the Company	Relationship	Nature of Transaction	2026 LKR	2025 LKR
R-E-D Capital Asia (Pvt) Ltd	Subsidiary	Fund transfers	**(221,457,709)**	(126,900,474)
		Expense reimbursements	**2,484,361**	3,590,891
		Investment in ordinary shares	**-**	(5,100,000)
		Interests	**1,232,043**	17,072,503
		Shared costs	**19,890,701**	–
		Dividend	**86,700,170**	–
		Consultation fees	**81,881,134**	–
Panasian Solar (Pvt) Ltd	Subsidiary	Fund transfers	**(3,100,000)**	(10,621,888)
		Expense reimbursements	**541,767**	665,595
		Interests	**1,575,668**	414,860
		Shared costs	**9,856,759**	21,882,295
		Investment in shares	**(15,000,000)**	–
Solar One Asia (Pvt) Ltd	Subsidiary	Fund transfers	**2,474,858**	100,000
		Expense reimbursements	**4,632,533**	2,116,475
		Interests	**396,908**	–
		Investment in shares	**(6,300,000)**	–
R I L Property PLC	Ultimate parent	Services	**(6,758,347)**	(9,194,641)
		Payments	**6,915,741**	8,970,683

38.6 For the material outstanding balances with related parties have been charged with a variable interest rate (AWPLR+1%) for related party balances.

39. Events Occurring after the Reporting Period

There have been no material events occurring after the statement of financial position date that require adjustment or disclosure in the Financial Statements .

40. Commitment and Contingent Liabilities

40.1 Capital Expenditure Commitment

There are no capital commitments as of 31 March 2026.

40.2 Contingent Liabilities

The Company entered in to memorandum of understanding with the owners of Medakumbura Mini Hydro Power Project, to acquire the project upon receiving the "Letter of Intent" from the National System Operator Pvt Ltd (NSO) (formerly known as Ceylon Electricity Board). The total purchase consideration for the above acquisition is LKR 10 Mn. with LKR 2 Mn. paid as an advance for acquisition. The balance LKR 8 Mn. will become payable upon receiving the Letter of Intent for the said project. Work is ongoing to secure approvals for the project.

40. Commitment and Contingent Liabilities (Cont'd)

40.3 The Group has Provided Corporate Guarantees as follows:

Beneficiary	Issuer	Issued Bank	Value (LKR)
Panasian Investment (Pvt) Ltd	Panasian Power PLC	NDB	150,000,000
Panasian Investment (Pvt) Ltd	Panasian Power PLC	Sampath	150,000,000
Panasian Investment (Pvt) Ltd	Panasian Power PLC	Union	300,000,000
Panthree Solar Energy (Pvt) Ltd	Panasian Power PLC	Seylan	130,000,000
Panthree Solar Energy (Pvt) Ltd	Panasian Power PLC	Seylan	119,000,000
Rajarata Sustainable Development (Pvt) Ltd	Panasian Power PLC	NDB	230,000,000
Finergreen Rajarata (Pvt) Ltd	Panasian Power PLC	NDB	230,000,000
PAP PTS Solar (Pvt) Ltd	R-E-D Capital Asia (Pvt) Ltd	DFCC	1,135,000,000
PAP PTS Solar (Pvt) Ltd	R-E-D Capital Asia (Pvt) Ltd	DFCC	1,135,000,000
Total			3,579,000,000

40.4 The Group has Provided Bank Guarantees as follows,

Company Name	Project	Bank	Bank Guarantee Value	Expiry Date
PAP EGSS Solar (Pvt) Ltd	Anuradhapura	Commercial	25,612,390	15.05.2027
PAP EGSS Solar (Pvt) Ltd	Anuradhapura	Commercial	63,493,131	15.05.2026
PAP EGSS Solar (Pvt) Ltd	Anuradhapura	Commercial	24,024,928	15.05.2026
PAP EGSS Solar (Pvt) Ltd	Baddegama	Commercial	45,560,125	15.05.2027
PAP EGSS Solar (Pvt) Ltd	Baddegama	Commercial	95,078,850	15.05.2026
PAP EGSS Solar (Pvt) Ltd	Hiyare	Commercial	44,927,347	15.05.2027
PAP EGSS Solar (Pvt) Ltd	Hiyare	Commercial	91,449,100	15.05.2026
PAP PTS Solar (Pvt) Ltd	Maho	DFCC	25,810,000	15.05.2027
PAP PTS Solar (Pvt) Ltd	Maho	DFCC	88,383,100	15.05.2026
PAP PTS Solar (Pvt) Ltd	Matara	DFCC	153,791,195	15.05.2026
PAP MHPL Solar (Pvt) Ltd	Kurunegala	HNB	25,531,300	15.05.2026
PAP MHPL Solar (Pvt) Ltd	Kurunegala	HNB	87,941,946	15.05.2026
PAP MHPL Solar (Pvt) Ltd	Ampara	HNB	125,792,457	15.05.2026
PAP MHPL Solar (Pvt) Ltd	Ampara	HNB	32,643,951	15.05.2026
Solar One Asia (Pvt) Ltd	Deniyaya	Union	60,000,000	31.01.2027
Panthree Solaro Energy (Pvt) Ltd	Pannala	Seylan	3,461,226	15.05.2026
Panthree Solaro Energy (Pvt) Ltd	Maho	Seylan	1,103,178	15.05.2026
Panthree Solaro Energy (Pvt) Ltd	Matara 01	Sampath	6,746,022	15.08.2026
Solar Power Generation Matara (Pvt) Ltd	Matara 02	Sampath	7,603,127	15.08.2026
Solar Power Generation Matara (Pvt) Ltd	Matara 03	Sampath	6,624,162	15.08.2026
Total			1,015,577,535	

There were no material contingent liability as at reporting date which require adjustment or disclosure in the Financial Statement other than disclose above.

41. Financial Assets and Financial Liabilities

The carrying value of the Group's financial instruments by classes, that are not carried at fair value in the financial instruments are not materially different from their fair values.

The management assessed that, cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in and orderly transactions between market participants at the measurement date.

The Following Methods and Assumptions Were Used to Estimate the Fair Values,

The fair value of unquoted instruments loans from banks and other financial liabilities, obligations & finance leases, as well as non-financial liabilities are estimated by discounting future cash flows using rates currently available debt on similar terms, credit risk and remaining maturities. The fair value of the unquoted ordinary shares has been estimated using the discounted cash flows (DCF) model. The valuation requires management to make certain assumptions about the model inputs, including forecast cashflows, the discount rate, credit risk & volatility. The probabilities of the various estimated within the range can reasonably assessed and are used in management estimates of fair value for this unquoted equity investment.

The Group holds following financial instruments.

41.1 Group

As at 31 March 2026	Note	Financial Assets at Amortised Cost LKR	Financial Assets at FVTPL LKR	Other Financial Liabilities LKR	Total LKR	Fair Value LKR	Fair Value Measurement LKR
Financial asset at fair value through profit or loss	24	–	168,380,097	–	168,380,097	168,380,097	Level II
Trade receivables	25.1	615,264,736	–	–	615,264,736	–	–
Amounts due from related parties	26	646,280	–	–	646,280	–	–
Other financial asset	27	57,755,715	–	–	57,755,715	–	–
Cash and cash equivalents	28	162,105,530	–	–	162,105,530	–	–
Total		835,772,261	168,380,097	–	1,004,152,358	168,380,097	
Bank overdrafts	28	–	–	11,424,782	11,424,782	–	–
Trade and other payables	35	–	–	247,249,393	247,249,393	–	–
Lease liabilities	31	–	–	95,376,716	95,376,716	–	–
Interest bearing loans and borrowings	32	–	–	5,939,347,827	5,939,347,827	–	–
Total		–	–	6,293,398,718	6,293,398,718	–	

41. Financial Assets and Financial Liabilities (Cont'd)

As at 31 March 2025	Note	Financial Assets at Amortised Cost LKR	Financial Assets at FVTPL LKR	Other Financial Liabilities LKR	Total LKR	Fair Value LKR	Fair Value Measurement
Financial asset at fair value through profit or loss	24	–	38,204,823	–	38,204,823	38,204,823	Level II
Trade receivables	25.1	182,421,606	–	–	182,421,606	–	–
Amounts due from related parties	26	10,655,638	–	–	10,655,638	–	–
Other financial asset	27	58,540,996	–	–	58,540,996	–	–
Cash and cash equivalents	28	1,114,484,805	–	–	1,114,484,805	–	–
Total		1,366,103,045	38,204,823	–	1,404,307,868	38,204,823	
Bank overdrafts	28	–	–	65,335,840	65,335,840	–	–
Trade and other payables	35	–	–	719,012,135	719,012,135	–	–
Lease liabilities	31	–	–	109,612,293	109,612,293	–	–
Interest bearing loans and borrowings	32	–	–	2,837,471,172	2,837,471,172	–	–
Loan obtained from related parties		–	–	250,000,000	250,000,000	–	–
Total		–	–	3,981,431,440	3,981,431,440	–	

41.2 Company

As at 31 March 2026	Notes	Financial assets at Amortised cost LKR	Financial Assets at FVTPL LKR	Other Financial Liabilities LKR	Total LKR	Fair Value LKR	Fair Value Measurement
Financial asset at fair value through profit or loss	24		**30,320,958**		**30,320,958**	**30,320,958**	Level II
Investment in preference shares	20	**23,000,000**	**–**	**–**	**23,000,000**	**–**	**–**
Trade receivables	25.1	**8,694,803**	**–**	**–**	**8,694,803**	**–**	**–**
Amounts due from related parties	26	**57,791,461**	**–**	**–**	**57,791,461**	**–**	**–**
Cash and cash equivalents	28	**43,033,783**	**–**	**–**	**43,033,783**	**–**	**–**
Total		**132,520,047**	**30,320,958**	**–**	**162,841,005**	**30,320,958**	
Bank overdrafts	28	**–**	**–**	**1,845,120**	**1,845,120**	**–**	**–**
Trade and other payables	35	**–**	**–**	**48,316,358**	**48,316,358**	**–**	**–**
Lease liabilities	31	**–**	**–**	**38,838,488**	**38,838,488**	**–**	**–**
Interest bearing loans and borrowings	32	**–**	**–**	**34,221,746**	**34,221,746**	**–**	**–**
Amounts due to related parties	34	**–**	**–**	**123,098,554**	**123,098,554**	**–**	**–**
Total		**–**	**–**	**246,320,266**	**246,320,266**	**–**	

41. Financial Assets and Financial Liabilities (Cont'd)

As at 31 March 2025	Note	Financial Assets at Amortised Cost LKR	Financial Assets at FVTPL LKR	Other Financial Liabilities LKR	Total LKR	Fair Value LKR	Fair Value Measurement
Financial asset at fair value through profit or loss			104,640		104,640	104,640	Level II
Investment in preference shares	20	23,000,000	–	–	23,000,000	–	–
Trade receivables	25.1	6,101,439	–	–	6,101,439	–	–
Amounts due from related parties	26	169,296,481	–	–	169,296,481	–	–
Cash and cash equivalents	28	75,196,635	–	–	75,196,635	–	–
Total		273,594,555	104,640	–	273,699,195	104,640	
Bank overdrafts	28	–	–	3,626,516	3,626,516	–	–
Trade and other payables	35	–	–	26,559,536	26,559,536	–	–
Lease liabilities	31	–	–	53,375,046	53,375,046	–	–
Interest bearing loans and borrowings	32	–	–	86,668,142	86,668,142	–	–
Amounts due to related parties	34	–	–	169,541,810	169,541,810	–	–
Total		–	–	339,771,050	339,771,050	–	

41.3 During the reporting period ended 31 March 2026 there were no transfer between Level I and Level II fair value measurements.

41.4 The following table shows the valuation technique used in measuring level 2 fair values, as well as the significant unobservable inputs used.

Type	Fair value measurement	Valuation technique	Significant un observable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss-Investment in unit trust	Level II	Fair value is based on the published unit prices	Based on published unit prices.	The estimated fair value will increase (decrease) if; The published unit prices are higher (lower)

41.5 The Group's exposure to various risk associated with the financial instruments is discussed in Note 42. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

42. Financial Risk Management Objectives and Policies

The Group has exposure to following risk from financial instruments

01. Credit risk
02. Liquidity risk
03. Market risk

This note presents information about Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. Further, quantitative disclosures are included throughout these consolidated Financial Statements.

Financial Risk Management Framework

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's financial risk management framework which includes developing and monitoring the Group's financial risk management policies.

The Group risk management policies are established to identify, quantify and analyse the financial risk faced by the Group, to set appropriate risk limits and controls, and to monitor financial risks adherence to limits. Financial risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All derivative activities for risk management purpose are carried out by Group risk and compliance manager, he has appropriate skills and experience.

The Group board audit and risk committee oversees how management monitors compliance with Group's financial risk management policies and procedures, and review the adequacy of the financial risk management framework in relation to the risks faced by the Group.

42.1 Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a finance loss. The Group and company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financial activities including deposits with banks and financial institutions and other financial instruments.

Trade Receivables

The Group and Company trade only with recognised, creditworthy third parties. It is Group's and Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balance are monitored on an ongoing basis and proactive steps taken to reduce the risk. The trade and receivables are due from the National System Operator (Pvt) Ltd (NSO) and Electricity Distribution Lanka (Pvt) Ltd (EDL) (Formerly known as Ceylon Electricity Board) which is the primary government institution responsible for distributing electricity to general public. Credit risk in relation to electricity sales to the government institution is highly unlikely. However, as a proactive measure, Company maintains a regular and healthy communication relationship in order to recover all the balances due. While cash and cash equivalents are also subject to the impairment requirement of SLFRS 09.

Set out below is the information about the credit risk exposure on the Group's trade receivables using the provision matrix

As at 31 March 2026	Group		Company	
	Carrying amount LKR	Expected credit loss LKR	Carrying amount LKR	Expected credit loss LKR
Below 30 days	**278,277,310**	**–**	**2,702,420**	**–**
31 to 60 days	**318,466,074**	**–**	**2,955,145**	**–**
61 to 180 days	**15,985,319**	**–**	**3,037,238**	**–**
Over 180 days	**11,902,283**	**9,366,250**	**–**	**–**
	624,630,986	**9,366,250**	**8,694,803**	**–**
Carrying amount as at 31 March 2026	**615,264,736**		**8,694,803**	

42. Financial Risk Management Objectives and Policies (Cont'd)

As at 31 March 2025	Group		Company	
	Carrying amount LKR	Expected credit loss LKR	Carrying amount LKR	Expected credit loss LKR
Below 30 days	116,839,667	–	6,101,439	–
31 to 60 days	47,984,048	–	–	–
61 to 180 days	10,225,126	–	–	–
Over 180 days	12,749,463	5,376,698	–	–
	187,798,304	5,376,698	6,101,439	–
Carrying amount as at 31 March 2025	182,421,606		6,101,439	

With respect to credit risk arising from the other financial assets of the Group and Company, such as cash and cash equivalents financial assets at amortised cost, the exposure to credit risks arises from default of the counterparty. The Group and Company manages its operations to avoid any excessive concentration of counter party risk and Group and Company takes all reasonable steps to ensure the counterparties fulfil their obligation.

42.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Groups' objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft, trade and other payables bank borrowings and leases. The Group assessed the concentration of risk with respect to refinancing its debt and conclude it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual discounted payments.

Group

As at 31 March 2026	Less than two months	2-12 months	1-2 years	2-5 years	More than 5 years	Carrying amount
	LKR	LKR	LKR	LKR	LKR	LKR
Bank overdrafts	**11,424,782**	**–**	**–**	**–**	**–**	**11,424,782**
Interest bearing loans and borrowings	**188,992,684**	**930,933,494**	**987,455,960**	**2,448,104,179**	**1,383,861,510**	**5,939,347,827**
Lease liabilities	**1,271,528**	**15,420,048**	**22,279,402**	**1,530,225**	**54,875,513**	**95,376,716**
Trade and other payables	**247,249,393**	**–**	**–**	**–**	**–**	**247,249,393**
	448,938,387	**946,353,542**	**1,009,735,362**	**2,449,634,404**	**1,438,737,023**	**6,293,398,718**

As at 31 March 2025	Less than two months	2-12 months	1-2 years	2-5 years	More than 5 years	Carrying amount
	LKR	LKR	LKR	LKR	LKR	LKR
Bank overdrafts	65,335,840	–	–	–	–	65,335,840
Interest bearing loans and borrowings	82,269,840	260,382,409	650,373,333	875,382,328	969,063,262	2,837,471,172
Lease liabilities	1,162,574	13,417,627	16,691,577	22,539,630	55,800,885	109,612,293
Trade and other payables	719,012,135	–	–	–	–	719,012,135
Loan obtained from related parties	–	–	250,000,000	–	–	250,000,000
	867,780,389	273,800,036	917,064,910	897,921,958	1,024,864,147	3,981,431,440

42. Financial Risk Management Objectives and Policies (Cont'd)

Company

As at 31 March 2026	Less than two months	2-12 months	1-2 years	2-5 years	More than 5 years	Carrying amount
	LKR	LKR	LKR	LKR	LKR	LKR
Bank overdrafts	**1,845,120**	**–**	**–**	**–**	**–**	**1,845,120**
Interest bearing loans and borrowings	**7,605,233**	**26,616,513**	**–**	**–**	**–**	**34,221,746**
Lease liabilities	**1,271,528**	**15,372,660**	**22,194,300**	**–**	**–**	**38,838,488**
Trade and other payables	**48,316,358**	**–**	**–**	**–**	**–**	**48,316,358**
Amount due to related parties	**123,098,554**	**–**	**–**	**–**	**–**	**123,098,554**
	182,136,793	**41,989,173**	**22,194,300**	**–**	**–**	**246,320,266**

As at 31 March 2025	Less than two months	2-12 months	1-2 years	2-5 years	More than 5 years	Carrying amount
	LKR	LKR	LKR	LKR	LKR	LKR
Bank overdrafts	3,626,516	–	–	–	–	3,626,516
Interest bearing loans and borrowings	12,375,233	40,071,163	34,221,746	–	–	86,668,142
Lease liabilities	1,161,992	13,374,565	32,943,201	5,895,288	–	53,375,046
Trade and other payables	26,559,536	–	–	–	–	26,559,536
Amount due to related parties	169541810	–	–	–	–	169,541,810
	213,265,087	53,445,728	67,164,947	5,895,288	–	339,771,050

42.3 Market Risk

Market risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk. Interest rate risk , currency risk, commodity price risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, financial assets at fair value through profit or loss. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

42. Financial Risk Management Objectives and Policies (Cont'd)

42.4 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Group mainly borrows in the long term to fund new hydro or solar projects funding requirement which are linked to floating interest rates and fixed interest rates and group maintains a proper mix of interest rate based on the basis of the predictability of future cash flows.

	Group		Company	
As at 31 March	2026 LKR	2025 LKR	2026 LKR	2025 LKR
Fixed rate instruments				
Financial liabilities	1,446,992,558	20,000,000	–	–
Variable rate instruments				
Financial liabilities	4,506,631,599	2,853,162,321	34,614,000	87,583,400

42.5 Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible changes in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the profit before tax and equity are affected through the impact on floating rate borrowing as follows;

Group

	Profit or Loss		Equity	
	1% Increase	1% Decrease	1% Increase	1% Decrease
31 March 2026				
Variable rate instruments	(45,066,316)	45,066,316	**(45,066,316)**	**45,066,316**
Cashflow sensitivity (net)	(45,066,316)	45,066,316	**(45,066,316)**	**45,066,316**
31 March 2025				
Variable rate instruments	(28,531,623)	28,531,623	(28,531,623)	28,531,623
Cashflow sensitivity (net)	(28,531,623)	28,531,623	(28,531,623)	28,531,623

Company

	Profit or Loss		Equity	
	1% Increase	1% Decrease	1% Increase	1% Decrease
31 March 2026				
Variable rate instruments	**(346,140)**	**346,140**	**(346,140)**	**346,140**
Cashflow sensitivity (net)	**(346,140)**	**346,140**	**(346,140)**	**346,140**
31 March 2025				
Variable rate instruments	(875,834)	875,834	(875,834)	875,834
Cashflow sensitivity (net)	(875,834)	875,834	(875,834)	875,834

42. Financial Risk Management Objectives and Policies (Cont'd)

42.6 Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk on purchase.

The Group hedges its exposure to fluctuations on the translation of its foreign operations by holding net borrowings in foreign currencies and by using forward contracts.

42.7 Commodity Risk

The Group is affected by the volatility of certain commodities. Its operating activities require the ongoing purchase. Due to the significantly increased volatility of the price of underlying, the management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

43. Capital Risk Management

The Company's objectives when managing capital are safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, capital is monitored on the basis of the desired gearing ratio within 60%.

The Company manages its capital structure, and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, issue new shares, have a rights issue.

	Group	
As at 31 March	2026	2025
Total liabilities	**6,685,526,401**	4,508,535,989
Less; Cash and cash equivalents	**(162,105,530)**	(470,547,136)
Net debt	**6,523,420,871**	4,037,988,853
Total equity	**2,975,647,572**	1,565,835,070
Net debt to equity ratio (%)	**219**	258

44. Non-Controlling Interest (NCI)

44.1 Summarised financial information in respect of Panasian Power PLC's subsidiaries that have material non-controlling interest, reflecting amounts before inter-company eliminations, is set out below.

As at 31 March 2026	Padiyapelella Hydropower Ltd LKR	R-E-D Capital Asia (Pvt) Ltd LKR	PAP MHPL Solar (Pvt) Ltd LKR	PAP PTS Solar (Pvt) Ltd LKR	PAP EGSS Solar (Pvt) Ltd LKR
NCI percentage (%)	**17**	**49**	**49**	**49**	**49**
Non current assets	**731,028,195**	**697,573,987**	**1,844,754,887**	**1,631,995,931**	**2,783,222,298**
Current assets	**421,135,561**	**11,673,924**	**334,854,317**	**258,981,572**	**262,237,795**
Non current liabilities	**(57,169,523)**	**(360,258)**	**(1,386,812,209)**	**(1,245,529,066)**	**(1,643,626,816)**
Current liabilities	**(122,939,672)**	**(174,523,175)**	**(253,562,540)**	**(203,034,573)**	**(421,774,230)**
Net assets	**972,054,561**	**534,364,478**	**539,234,455**	**442,413,864**	**980,059,047**
Net assets attributable to NCI	**165,249,275**	**261,838,594**	**264,224,883**	**216,782,793**	**480,228,933**
Revenue	**78,554,053**	**–**	**333,976,790**	**343,889,988**	**493,722,553**
Profit/(loss) for the year	**112,891,885**	**(176,044,953)**	**557,402,630**	**331,816,082**	**834,645,489**
Other comprehensive income	**421,474**	**21,163**	**–**	**–**	**–**
Total comprehensive income	**113,313,359**	**(176,023,790)**	**557,402,630**	**331,816,082**	**834,645,489**
Profit/(loss) allocated to NCI	**19,191,620**	**(86,262,027)**	**273,127,289**	**162,589,880**	**408,976,290**
OCI allocated to NCI	**71,651**	**10,370**	**–**	**–**	**–**
Cash flows from operating activities	**28,717,117**	**241,586,883**	**(176,895,521)**	**(23,394,968)**	**(44,802,392)**
Cash flows from investing activities	**17,289,864**	**347,560,294**	**(1,323,720,066)**	**(1,241,166,053)**	**(1,026,554,580)**
Cash flows from finance activities	**(117,375,000)**	**(593,466,630)**	**1,428,905,847**	**1,050,546,048**	**881,124,491**
Net (decrease)/increase in cash and cash equivalents	**(71,368,019)**	**4,319,453**	**(71,709,740)**	**(214,014,973)**	**(190,232,481)**

Supplementary Information

Ten Years Financials Summary

	2025/26 LKR	2024/25 LKR	2023/24 LKR	2022/23 LKR
Operating results				
Revenue*	**2,008,513,719**	1,542,727,800	1,490,346,698	1,014,079,462
Gross profit	**1,316,568,655**	858,876,169	820,549,953	655,031,522
Other income	**114,505,633**	16,920,322	8,132,933	10,713,266
Administration expenses	**(446,092,035)**	(273,295,456)	(225,328,101)	(173,926,349)
Selling and distribution expenses	**(13,685,586)**	(16,662,015)	(15,969,828)	(2,386,319)
Net finance cost	**(435,131,954)**	(191,463,281)	(337,284,382)	(415,161,670)
Net profit before taxation	**495,685,323**	404,878,879	252,860,416	9,323,902
Income tax expenses/(reversals)	**1,118,663,419**	(132,523,476)	(125,549,343)	(470,122,524)
Net profit after taxation	**1,614,348,742**	272,355,403	127,311,073	(460,798,622)
Funds employed				
Stated capital	**1,030,000,000**	1,030,000,000	1,030,000,000	1,030,000,000
Retained earnings	**1,136,974,494**	424,616,615	66,385,904	(90,811,481)
Non controling interest	**808,673,078**	111,218,455	134,948,428	180,791,495
Borrowings (both non-current & current)	**5,939,347,827**	3,087,471,172	1,848,800,190	1,923,950,375
Lease liabilities (both non-current & current)	**95,376,716**	109,612,293	85,927,425	42,235,633
Assets employed				
Non current assets	**8,302,776,333**	4,372,705,586	2,997,486,874	3,968,982,602
Current assets	**1,358,397,640**	1,701,665,473	1,011,448,432	1,031,062,542
Current liabilities	**1,542,838,782**	1,512,492,866	877,372,954	1,062,877,112
Retirement benefit obligations	**19,987,008**	17,641,274	11,550,170	7,957,081
Deffered tax liabilities	**224,593,816**	388,550,758	434,663,568	578,731,017
Key indicators				
Earnings per share (LKR)	**1.34**	0.40	0.16	(0.77)
Net asset per share (LKR)	**3.47**	2.33	1.75	3.11
Market price of share closing	**19.60**	6.90	3.00	3.40
Dividend per share (LKR)	**0.20**	–	0.20	–
Price earning ratio (times)	**14.64**	17.27	19.18	(4.43)
Dividend payout (%)	**151%**	–	75%	–

* Includes LKR 236,578/- (LKR 160,072,034/- in 2025) as additional payments from National System Operator (Pvt) Ltd (NSO) (formerly known as Ceylon Electricity Board) as billing under the standardised power purchase agreement.

2021/22 LKR	2020/21 LKR	2019/20 LKR	2018/19 LKR	2017/18 LKR	2016/17 LKR
935,512,639	729,074,023	563,814,790	761,280,653	489,392,823	204,567,345
639,256,257	487,748,679	424,205,336	608,135,780	363,955,890	162,903,126
4,490,643	11,099,242	–	645,040	–	1,869,565
(145,422,677)	(124,871,410)	(119,980,556)	(90,437,502)	(65,339,973)	(55,408,595)
–	–	–	–	–	–
(135,031,264)	(101,836,116)	(110,960,336)	(90,408,984)	(98,711,869)	(78,553,984)
(109,811,344)	274,578,288	195,261,913	425,975,397	199,866,047	30,810,112
(74,239,239)	(10,133,819)	(42,553,678)	(54,638,740)	(47,454,178)	(9,665,480)
(184,050,583)	264,444,469	152,708,235	371,336,657	152,411,869	21,144,632
1,030,000,000	1,030,000,000	1,030,000,000	630,000,000	630,000,000	630,000,000
388,455,268	796,381,691	701,817,869	691,573,610	453,226,549	347,400,747
172,415,100	129,943,319	130,676,013	125,695,270	86,559,660	43,633,537
1,831,262,190	1,992,718,137	1,467,275,726	1,114,337,020	743,672,256	736,308,958
44,834,806	59,286,409	62,570,259	2,301,740	3,062,467	3,713,878
4,521,722,172	3,781,901,012	3,384,150,150	2,546,931,029	2,023,929,232	2,048,350,972
622,036,741	774,751,700	579,521,849	436,097,425	324,457,016	87,356,103
707,212,055	598,789,556	317,814,772	214,451,106	776,880,265	133,219,442
6,308,189	6,590,502	6,017,254	4,101,392	5,578,355	5,018,452
221,585,069	76,953,458	154,694,708	125,905,691	105,485,032	59,514,819
(0.31)	0.38	0.24	0.66	0.28	0.04
4.37	3.70	3.49	3.05	2.76	2.44
3.70	3.60	2.50	3.00	2.70	3.00
0.34	0.22	0.22	0.16	0.13	0.15
(11.81)	9.40	10.5	4.54	9.69	75
(110%)	57%	92%	24%	46%	375%

Investor Information

1. Stock Exchange listing

The issued ordinary shares of Panasian Power PLC are listed with the Colombo Stock Exchange (CSE) of Sri Lanka. The Audited Accounts of the Company and the Consolidated Accounts for the year ended 31 March 2026 have been submitted to the Colombo CSE. Stock symbol – PAP. N0000

2. Distribution of shareholding

No. of shares held		2026				2025			
		Shareholders				Shareholders			
		Number	Percentage %	Total Holding LKR	Total Percentage of Holding %	Number	Percentage %	Total Holding LKR	Total Percentage of Holding %
1	1,000	3,895	48.03	1,647,640	0.26	2,736	45.37	1,309,243	0.21
1,001	10,000	2,995	36.93	12,488,242	2.00	2,289	37.96	10,070,760	1.61
10,001	100,000	1,042	12.85	32,547,830	5.21	839	13.91	27,843,971	4.46
100,001	1,000,000	159	1.96	43,814,081	7.01	138	2.29	38,831,116	6.21
Over 1,000,000		18	0.23	534,502,207	85.52	28	0.46	546,944,910	87.51
Total		8,109	100.00	625,000,000	100.00	6,030	100.00	625,000,000	100.00

3. Analysis of shareholders

Category	2026				2025			
	Shareholders				Shareholders			
	Number	Percentage %	Total Holding LKR	Total Percentage of Holding %	Number	Percentage %	Total Holding LKR	Total Percentage of Holding %
Individuals	**7,887**	**97.26**	**114,484,143**	**18.31**	5,869	97.33	114,444,532	18.31
Institutional	**222**	**2.74**	**510,515,857**	**81.69**	161	2.67	510,555,468	81.69
Total	**8,109**	**100.00**	**625,000,000**	**100.00**	6,030	100.00	625,000,000	100.00
Resident	**8,074**	**99.57**	**623,667,531**	**99.79**	6,001	99.52	623,381,603	99.74
Non-resident	**35**	**0.43**	**1,332,469**	**0.21**	29	0.48	1,618,397	0.26
Total	**8,109**	**100.00**	**625,000,000**	**100.00**	6,030	100.00	625,000,000	100.00

4. Directors' shareholdings

Name	Number of Shares	
	2026	2025
Mr L Silva	**–**	–
Mrs H Fernando	**–**	–
Mr D Sooriyaarachchi	**–**	–
Mr K Kamburadeniya	**–**	–
Mr P Poddiwala	**–**	–
Ms C Pietersz	**–**	–
Ms N Ranatunga	**–**	–
Mr I Perera	**100**	N/A
Mr N Weerasinghe	**–**	N/A

5. Public shareholdings

As at 31 March	2026	2025
Issued Share Capital (LKR)	**625,000,000**	625,000,000
Less: Directors' Shareholding and Major Shareholders (LKR)	**468,750,100**	468,750,000
Public Holding (LKR)	**156,249,900**	156,250,000
Number of Public Shareholders	**8,107**	6,029
Public Holding Percentage (%)	**25.00**	25.00
Float-Adjusted Market Capitalisation (LKR)	**3,062,498,040**	1,078,125,000

The Company has complied with Rule 7.13.1(a) Option 5 of the Listing Rules of the CSE, governing the minimum public holding requirement of listed entities for continuous listing requirements. As at 31 March 2026, the public holding of the Company stood at 25%, surpassing the minimum requirement of 20%, under the relevant option.

6. Share performance on the Colombo Stock Exchange

As at 31 March	2026 LKR	2025 LKR
Highest Market Price	**33.30**	9.30
Lowest Market Price	**6.40**	3.70
Closing Market Price	**19.60**	6.90

7. Twenty largest shareholders

	31 March 2026		31 March 2025	
Name of Shareholder	Number of shares	Holding %	Number of shares	Holding %
R I L Property PLC	**468,750,000**	**75.00**	468,750,000	75.00
People's Leasing & Finance PLC/Dr K A P Gunawardhana	**13,740,000**	**2.20**	5,005,500	0.80
Mr Polwatta Gamage Piyasiri	**9,772,433**	**1.56**	–	–
Mr Amarakoon Mudiyanselage Weerasinghe	**7,292,270**	**1.17**	10,959,000	1.75
Senkadagala Finance PLC/S M D N P Banda	**6,300,000**	**1.01**	6,300,000	1.01
Mr Ajith Indralal Edirisinghe	**4,229,015**	**0.68**	–	–
Mr Chumila Dissanayake	**3,200,000**	**0.51**	–	–
Assetline Finance Limited/S M D N P Banda	**3,111,625**	**0.50**	–	–
Mr Gallallage Aruna Priyashantha	**2,933,703**	**0.47**	–	–
Mr Sanjeewa Deshapriya Widanagama	**2,516,634**	**0.40**	–	–
Mr Hasitha Suminda Dissanayake	**2,352,014**	**0.38**	–	–
Mr Ananda Deepthi Edussuriya	**2,316,857**	**0.37**	2,316,857	0.37
Mr Aruna Sriyan Jayasinghe	**2,028,130**	**0.32**	2,128,130	0.34
People's Leasing & Finance PLC/D D M Mataraarachchi	**1,264,526**	**0.20**	–	–
Commercial Bank of Ceylon PLC/H S Dissanayake	**1,200,000**	**0.19**	–	–
Mr Yoshitha Kanishka Rajapaksa	**1,200,000**	**0.19**	1,200,000	0.19
Assetline Finance PLC/C Dissanayake	**1,195,000**	**0.19**	–	–
Mrs Roshini Devika Madanayake Perera	**1,100,000**	**0.18**	–	–
Dr Padmi Dhanushika Nimali Somarathna Poojitha	**931,297**	**0.15**	–	–
Cocoshell Activated Carbon Company (Private) Limited	**890,000**	**0.14**	1,790,000	0.29
Mr Agampodi Ushan De Silva	**–**	**–**	8,350,596	1.34

	31 March 2026		31 March 2025	
Name of Shareholder	Number of shares	Holding %	Number of shares	Holding %
Mr Kangasu Chelvadurai Vignarajah	–	–	4,887,248	0.78
Seylan Bank PLC/ARRC Capital (Pvt) Ltd	–	–	4,136,516	0.66
Hatton National Bank PLC/Astrue Alpha Fund	–	–	3,675,025	0.59
Mr S P Perera	–	–	2,925,525	0.47
Mr Weeraratne Pattiyapawlage Don Raj Rohitha	–	–	2,800,000	0.45
Mr Oshan Senanayake	–	–	2,774,796	0.44
Mr Gonalagodaghe Buwaneka Dinuwan Thilakarathne	–	–	2,591,347	0.41
Seylan Bank PLC/Gladstone Capital (Private) Limited	–	–	2,451,733	0.39
Commercial Bank Of Ceylon PLC/ H G Balasuriya	–	–	2,000,000	0.32
Mr Mohamed Shahid Osman	–	–	1,590,000	0.25
Dr Agampodi Sajini Nethma De Silva	–	–	1,529,535	0.24
	536,323,504	**85.81**	538,161,808	86.09

8. Share trading information

As at 31 March	2026	2025
Value of Share Trades (LKR)	**8,059,761,957**	1,167,928,814
Number of Shares Traded	**414,574,180**	178,684,069
Number of Trades	**71,176**	16,713

9. Equity information

As at 31 March	2026	2025
Earnings per Share (LKR)	**1.34**	0.4
Dividend per Share (LKR)	**0.20**	–
Net asset value per share (LKR)	**4.76**	2.51
Dividend Payout Ratio (%)	**151**	0

GRI Content Index

GRI – 2-21, 2-30, 402-1, 202-1, 202-2, 401-3, 405-2

Statement of use	Panasian Power PLC has reported the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location (page number)
GRI 2: General Disclosures 2021	2-1 Organisational details	4, 10, 211
	2-2 Entities included in the organization's sustainability reporting	4, 14-15, 211
	2-3 Reporting period, frequency and contact point	4, 8, 40
	2-4 Restatements of information	5, 86
	2-5 External assurance	6, 8, 53, 168-169
	2-6 Activities, value chain and other business relationships	10-11, 44, 65, 81
	2-7 Employees	12, 66, 94, 97
	2-8 Workers who are not employees	66
	2-9 Governance structure and composition	41, 141-142, 145
	2-10 Nomination and selection of the highest governance body	141, 150, 175
	2-11 Chair of the highest governance body	145, 150
	2-12 Role of the highest governance body in overseeing the management of impacts	41, 141, 147, 150
	2-13 Delegation of responsibility for managing impacts	41, 43, 153
	2-14 Role of the highest governance body in sustainability reporting	8, 41, 141
	2-15 Conflicts of interest	173
	2-16 Communication of critical concerns	68, 153-154
	2-17 Collective knowledge of the highest governance body	42, 150
	2-18 Evaluation of the performance of the highest governance body	147, 152, 176
	2-19 Remuneration policies	43
	2-20 Process to determine remuneration	43
	2-21 Annual total compensation ratio	
	2-22 Statement on sustainable development strategy	38
	2-23 Policy commitments	39, 141, 144
	2-24 Embedding policy commitments	39, 41, 141
	2-25 Processes to remediate negative impacts	68, 91
	2-26 Mechanisms for seeking advice and raising concerns	68, 106, 153, 154
	2-27 Compliance with laws and regulations	141
	2-28 Membership associations	116
	2-29 Approach to stakeholder engagement	64-67
	2-30 Collective bargaining agreements	N/A
GRI 3: Material Topics 2021	3-1 Process to determine material topics	7
	3-2 List of material topics	7, 39, 120
	3-3 Management of material topics	7, 39, 120
GRI 101: Biodiversity 2024 biodiversity loss	101-1 Policies to halt and reverse	
	101-2 Management of biodiversity impacts	61, 123-124
	101-3 Access and benefit-sharing	106-107
	101-4 Identification of biodiversity impacts	61, 124
	101-5 Locations with biodiversity impacts	123-124
	101-6 Direct drivers of biodiversity loss	61, 90, 124
	101-7 Changes to the state of biodiversity	124
	101-8 Ecosystem services	46, 122

GRI standard	Disclosure	Location (page number)
GRI 102: Climate Change 2025	102-1 Transition plan for climate change mitigation	7, 49
	102-2 Climate change adaptation plan	45, 91, 122
	102-3 Just transition	76
	102-4 GHG emissions reduction targets and progress	43, 111
	102-5 Scope 1 GHG emissions	40, 52, 54, 118, 121, 298
	102-6 Scope 2 GHG emissions	52, 121, 298
	102-7 Scope 3 GHG emissions	40, 121, 298
	102-8 GHG emissions intensity	40, 121, 298
	102-9 GHG removals in the value chain	12, 106
	102-10 Carbon credits	234
GRI 103: Energy 2025	103-1 Energy policies and commitments	39, 40, 121
	103-2 Energy consumption and self-generation within the organization	52, 57, 122
	103-3 Upstream and downstream energy consumption	55
	103-4 Energy intensity	36, 122
	103-5 Reduction in energy consumption	121
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	87
	201-2 Financial implications and other risks and opportunities due to climate change	45-48
	201-3 Defined benefit plan obligations and other retirement plans	224, 230, 232, 237, 238, 260, 261
	201-4 Financial assistance received from government	84
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	37
	202-2 Proportion of senior management hired from the local community	98
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	12, 105
	203-2 Significant indirect economic impacts	13, 107
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	87
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	142, 153
	205-2 Communication and training about anti-corruption policies and procedures	142, 143, 153
	205-3 Confirmed incidents of corruption and actions taken	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
GRI 207: Tax 2019	207-1 Approach to tax	83-84, 214
	207-2 Tax governance, control, and risk management	8, 43, 141
	207-3 Stakeholder engagement and management of concerns related to tax	66, 141
	207-4 Country-by-country reporting	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	44, 126
	301-2 Recycled input materials used	126
	301-3 Reclaimed products and their packaging materials	61, 126
GRI 302: Energy 2016	302-1 Energy consumption within the organization	57, 122
	302-2 Energy consumption outside of the organization	55
	302-3 Energy intensity	122
	302-4 Reduction of energy consumption	121
	302-5 Reductions in energy requirements of products and services	91

GRI standard	Disclosure	Location (page number)
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	55, 123
	303-2 Management of water discharge-related impacts	55, 123
	303-3 Water withdrawal	55, 123
	303-4 Water discharge	55, 123
	303-5 Water consumption	55, 123
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	40, 52, 54, 118, 121, 298
	305-2 Energy indirect (Scope 2) GHG emissions	52, 121, 298
	305-3 Other indirect (Scope 3) GHG emissions	40, 121, 298
	305-4 GHG emissions intensity	40, 121, 298
	305-5 Reduction of GHG emissions	40, 121, 298
	305-6 Emissions of ozone-depleting substances (ODS)	52
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	54
GRI 306: Effluents and Waste 2016	306-3 Significant spills	124
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	124
	306-2 Management of significant waste-related impacts	124
	306-3 Waste generated	124
	306-4 Waste diverted from disposal	124
	306-5 Waste directed to disposal	124
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	21, 39
	308-2 Negative environmental impacts in the supply chain and actions taken	45, 47
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	94
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	214, 224, 225, 237, 273, 274
	401-3 Parental leave	97
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	98
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	21, 59
	403-2 Hazard identification, risk assessment, and incident investigation	59, 101
	403-3 Occupational health services	101
	403-4 Worker participation, consultation, and communication on occupational health and safety	59, 101
	403-5 Worker training on occupational health and safety	94, 100
	403-6 Promotion of worker health	101
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	61, 101
	403-8 Workers covered by an occupational health and safety management system	101
	403-9 Work-related injuries	59
	403-10 Work-related ill health	59
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	94, 100
	404-2 Programs for upgrading employee skills and transition assistance programs	100, 108
	404-3 Percentage of employees receiving regular performance and career development reviews	100, 152
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	97, 146
	405-2 Ratio of basic salary and remuneration of women to men	38, 97
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	97

GRI standard	Disclosure	Location (page number)
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	140
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	140
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	140
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	89
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	140
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	61, 105-107
	413-2 Operations with significant actual and potential negative impacts on local communities	106-107
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	21, 39
	414-2 Negative social impacts in the supply chain and actions taken	105, 107
GRI 415: Public Policy 2016	415-1 Political contributions	153
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	54
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	54
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	54
	417-2 Incidents of non-compliance concerning product and service information and labeling	54
	417-3 Incidents of non-compliance concerning marketing communications	54
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	54

Glossary of Financial Terms

Accrual basis
Recording revenues and expenses in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Capital employed
Shareholders' funds plus non-controlling interests and debt including lease liabilities.

Contingent liabilities
A condition or situation existing as at the date of report due to past events, where the financial effect is not recognised because:

- The obligation is crystallised by the ccurrence or non-occurrence of one or more future events or,
- A probable outflow of economic resources is not expected or,
- The obligation cannot be measured with sufficient reliability.

Current ratio
Current assets divided by current liabilities.

Debt/equity ratio
Debt as a percentage of shareholders' funds.

Dividend cover
Earnings per share over dividends per share.

Earnings per share (EPS)
Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share (EPS)
Profit attributable to equity holders of the parent divided by the weighted average number of ordinary shares in issue during the period adjusted for options granted but not exercised.

Dividend pay out ratio
Dividend paid as a percentage of group profits attributed to equity holders.

Earnings yield
Earnings per share as a percentage of market price per share at the end of the period.

Earnings before interest and tax (EBIT)
Earnings before interest and tax (includes other operating income).

Enterprise value (EV)
Market capitalisation plus net debt/(net cash).

Effective rate of taxation
income tax expense divided by total taxable income.

Interest cover
Consolidated profit before interest and tax over interest expense.

Market capitalisation
Number of Shares in issue at the end of the period multiplied by the market price at end of period.

Net assets
Total assets minus current liabilities, long-term liabilities, and non-controlling interests.

Net asset per share
Net assets as at a particular financial year end divided by the number of shares in issue as at the current financial year end.

Net debt
Total debt minus cash equivalents (cash in hand and at bank plus short-term deposits).

Net turnover per employee
Net turnover over average number of employees.

Price earnings ratio
Market Price per share over earnings per share.

Quick ratio
Cash plus short-term investments plus receivables, divided by current liabilities.

Return on assets
profit after tax over average total assets.

Return on equity
Profit attributable to shareholders as a percentage of average shareholders' funds.

Return on capital employed
EBIT as a percentage of average capital employed.

Shareholders' funds
Stated capital plus other components of equity plus retained earnings.

Total assets
Fixed assets plus investments plus non-current assets plus current assets.

Total debt
Long-term loans plus short-term loans and overdrafts.

Total equity
Shareholders' funds plus non-controlling interest.

Total value added
The difference between revenue (including other income) and expenses, cost of materials and services purchased from external sources.

Working capital
Capital required to finance the day-to-day operations (current assets minus current liabilities).

Fair value
The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value through profit and loss
A financial asset/liability acquired/incurred principally for the purpose of selling or repurchasing it in the near term.

SASB
The Sustainability Accounting Standards Board (SASB) develops standards that enable organisations to provide industry-based disclosures about sustainability-related risks and opportunities, which could reasonably be expected to affect cash flows, access to finance or cost of capital over the short, medium or long -term.

SCOPE 1 AND SCOPE 2
The Green House Gas (GHG) Protocol has established a classification of GHG emissions called "Scope": Scope 1, Scope 2 and Scope 3. The GHG emissions standard published by the International Organisation for Standardisation (ISO), "ISO 14064", represents these classifications of Scope with the following terms:

1. Direct GHG emissions= Scope I
2. Indirect Energy GHG emissions = Scope 2

SLFRS Sri Lanka Financial Reporting Standards (SLFRS) refer to the Sri Lanka Accounting Standards corresponding to the International Financial Reporting Standards (IFRS), which provide the framework for financial statements ensuring consistency with global standards.

IFRIC Interpretations
FRIC Interpretations are developed by the IFRS Interpretations Committee (previously the International Financial Reporting Interpretations Committee, IFRIC) and are issued after approval by the International Accounting Standards Board (IASB).

SLFRS S1
Disclosure of information about all sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to finance or cost of capital over the short, medium or long term.

SLFRS S2
Requires the disclosure of information about climate-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, its access to finance or cost of capital over the short, medium or long-term.

Sustainability related risk and opportunities (SRRO)
Risks and opportunities that arise from sustainability-related events that could reasonably be expected to affect the entity's financial performance, position and prospects.

Climate Related Risk and Opportunities (CRRO)
Risks and opportunities that arise from climate-related events that could reasonably be expected to affect the entity's financial performance, position and prospects.

Notice of Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting (AGM) of Panasian Power PLC will be held on 30 June 2026 at 1.00 pm at Ruby Hall, BMICH Colombo, Bauddhaloka Mawatha, Colombo 07 for the following purposes:

(01) To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31 March 2026 together with the Report of the Auditors thereon;

(02) To re-elect Mr L Silva who retires by rotation pursuant to the provisions of Article 24 (6) of the Articles of Association of the Company, as a Director;

(03) To elect Mr I Perera, a Director of the Company, who was appointed during the Financial Year to fill a casual vacancy in terms of Article 24 (2) of the Articles of Association of the Company;

(04) To elect Mr N Weerasinghe, a Director of the Company, who was appointed during the Financial Year to fill a casual vacancy in terms of Article 24 (2) of the Articles of Association of the Company;

(04) To appoint Messrs. KPMG, Chartered Accountants as Auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the directors to fix their remuneration;

(05) To authorise the Board of Directors to determine donations for the year ending 31 March 2027 and up to the date of the next Annual General Meeting;

(06) To consider any other business of which due notice has been given,

BY ORDER OF THE BOARD

For and on behalf of Panasian Power PLC



Roshini Weudagedara

Company Secretary

4 June 2026

Colombo

Notes:

1. A duly registered and entitled holder of the Company's shares is entitled to attend, speak and vote at the AGM and is entitled to appoint a proxyholder to attend, speak and vote on a show of hands or on a poll on his/her behalf; The proxy so appointed shall be valid for any adjournment of the meeting as for the meeting to which it relates.
2. A proxyholder need not be a shareholder of the Company;
3. A proxy so appointed shall have the same right as the shareholder to vote on a show of hands as well as to speak at the AGM;
4. Members are encouraged to vote by Proxy through the appointment of a member of the Board of Directors to vote on their behalf and to include their voting preferences on the resolutions to be taken up at the Meeting in the Form of Proxy.
5. In the event the Appointer of the proxy attending the meeting, the authority of the proxy to attend, vote and/or in any way participate at the meeting shall stand automatically cancelled and revoked.
6. A shareholder shall not be entitled to appoint more than one proxy to attend on the same occasion.
7. The Form of Proxy is enclosed for this purpose. The completed Form of Proxy must be deposited at the Registered Office of the Company situated at Level 4, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 or email to agm@panasianpower.com/ info@panasianpower.com or facsimile to 0114 506 412 to not less than forty-eight (48) hours before the appointed hour of the meeting;

Form of Proxy

I/We of .....

being a member/members of Panasian Power PLC, hereby appoint .....

(NIC No.) of ..... failing him/ her

Mr L Silva	whom failing
Mr D Sooriyaarachchi	whom failing
Mr P Poddiwala	whom failing
Ms H Fernando	whom failing
Mr K Kamburadeniya	whom failing
Ms C Pietersz	whom failing
Ms N Ranatunga	whom failing
Mr I Perera	whom failing
Mr N Weerasinghe	whom failing

as my/our proxy to represent me/us and* to vote on my/our behalf at the Annual General Meeting (AGM) of Panasian Power PLC (the Company) to be held on 30 June 2026 at 1.00 pm at Ruby Hall, BMICH Colombo, Bauddhaloka Mawatha, Colombo 07 and at any adjournment thereof.

I/ We the undersigned hereby authorise my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

	For	Against	Abstained
(1) To receive and consider the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Statement of Accounts for the year ended 31 March 2026 together with the Report of the Auditors thereon			
(2) To re-elect Mr L Silva who retires by rotation pursuant to the provisions of Article 24 (6) of the Articles of Association of the Company, as a director;			
(3) To elect Mr I Perera, a Director of the Company, who was appointed during the Financial Year to fill a casual vacancy in terms of Article 24 (2) of the Articles of Association of the Company;			
(4) To elect Mr N Weerasinghe, a Director of the Company, who was appointed during the Financial Year to fill a casual vacancy in terms of Article 24 (2) of the Articles of Association of the Company;			
(5) To appoint, Messrs. KPMG, Chartered Accountants, as Auditors to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration;			
(6) To authorise the Board of Directors to determine donations for the year ending 31 March 2027 and up to the date of the next Annual General Meeting			

Signed on this ..... day of .....;..... Two Thousand and Twenty Six.

.....

Signature/s

*If you wish your Proxy to speak at the meeting you should insert the words "to speak and" in the place indicated and initial such insertion.

Notes:

1. Instructions as to completion appear overleaf;
2. Please indicate with an **"x"** in the space provided how your proxyholder is to vote;
3. If there is in the view of the proxyholder doubt (by reason of the way in which the instructions contained in the proxy have been completed) as to the way in which the proxyholder should vote, the proxyholder shall vote as he thinks fit;
4. The personal information provided by shareholders in connection with this Annual General Meeting, including CDS account details and contact information, will be collected and processed by the Company for purposes relating to shareholder administration, regulatory compliance, communication with shareholders and other matters connected with the Company's affairs. Such personal data will be processed in accordance with applicable data protection laws.

Instructions as to completion

1. To be valid, this completed Form of Proxy must be deposited at the Registered Office of the Company situated at Level 4, BTL Shipping House, No. 45/2, Braybrooke Street, Colombo 02 or email to agm@panasianpower.com / info@panasianpower.com or facsimile to 011 450 6412, not less than forty-eight (48) hours before the appointed hour of the meeting;
2. The full name and address of the proxyholder and of the shareholder appointing the proxyholder should be entered legibly in the Form of Proxy; Please fill in the date of signature;
3. If you wish to appoint any person other than directors as your proxy, please insert the relevant details in the space provided overleaf;
4. If the Form of Proxy is signed by the Power of Attorney, the respective Power of Attorney should accompany the completed Form of Proxy for registration, in the event it has already not being registered with the Company;
5. If the shareholder is a company or a corporate body, the Form of Proxy should be executed under the common seal or be signed by its Attorney or by an Officer authorized to do so on behalf of such company/ corporate body;
6. Every alteration or addition to the Form of Proxy must be duly authenticated by the full signature of the shareholder signing the Form of Proxy. Such signatures should as far as possible be placed in proximity to the addition or alteration intended to be authenticated;
7. The use of the word “Member/s” herein is a reference to “Shareholder/s”;

Corporate Information

Name of the Company

Panasian Power PLC

Legal Form

A Public Quoted Company with limited liability incorporated under the Provision of the Companies Act No. 07 of 2007. The Company has been registered under Section 17 (2) of the BOI Law No. 4 of 1978 on 26 November 2008.

Date of incorporation

22 April 2002

Date of listing of shares on the Colombo Stock Exchange

7 January 2011

Company Registration Number

PV 9959 PB/PQ

Accounting Year End

31 March

Registered Office and Head Office

Level 4, BTL Shipping House,
No. 45/2, Braybrooke Street, Colombo 02.

Subsidiary Companies

Manelwala Hydropower (Pvt) Ltd
Panasian Investments (Pvt) Ltd
Solar Power Generation Matara (Pvt) Ltd
Panthree Solaro Energy (Pvt) Ltd
PAP Solar One (Pvt) Ltd
Padiyapelella Hydropower Limited
Rajarata Sustainable Development (Pvt) Ltd
Finergreen Rajarata (Pvt) Ltd
Panasian Power Zambia Limited
Lower Kotmale Oya Power Two (Pvt) Ltd
Eco Green Solar Solutions (Pvt) Ltd
Finergreen Ridiyagama (Pvt) Ltd
Finergreen Gonnoruwa (Pvt) Ltd
Finergreen Mattala (Pvt) Ltd
Panasian Solar (Pvt) Ltd
PAP SPGM Solar (Pvt) Ltd
(Amalgamated with the PAP PTS Solar (Pvt) Ltd w.e.f. 31 March 2026)
PAP EGSS Solar (Pvt) Ltd
PAP MHPL Solar (Pvt) Ltd
PAP PTS Solar (Pvt) Ltd
R-E-D Capital Asia (Pvt) Ltd
Solar One Asia (Pvt) Ltd

Joint Ventures

Powergen One (Pvt) Ltd

Nature of business

To engage in and undertake to establish, operate and manage any form of renewable energy power plant, and engage in any business related with the renewable energy sector.

Directors

Mr L Silva (Chairman)
Mr P Poddiwala (CEO/Executive Director)
Ms H Fernando
Mr D Sooriyaarachchi
Mr K Kamburadeniya
Ms C Pietersz
Ms N Ranatunga
Mr I Perera
Mr N Weerasinghe

Board Secretary

Ms R Weudagedara

List of Sub Committees

Board Audit and Risk Committee

Ms C Pietersz (Chairperson)
Ms H Fernando
Mr. K Kamburadeniya
Ms. N Ranatunga

Board Nominations and Governance Committee

Mr K Kamburadeniya (Chairman)
Mr L Silva
Ms H Fernando
Mr D Sooriyaarachchi
Ms C Pietersz

Board HR and Remuneration Committee

Mr K Kamburadeniya (Chairman)
Mr L Silva
Ms H Fernando
Mr D Sooriyaarachchi
Ms N Ranatunga

Board Related Party Transactions Review Committee

Ms N Ranatunga (Chairperson)
Mr L Silva
Ms H Fernando
Mr D Sooriyaarachchi
Ms C Pietersz

Registrars

S S P Corporate Services (Pvt) Limited
No. 101, Inner Flower Road
Colombo 3
Tel: +94112573894

Auditors

M/s Ernst & Young
Chartered Accountants
Rotunda Towers, No. 109, Galle Road,
Tel : +94 11 246 3500

Bankers

Sampath Bank PLC
National Development Bank PLC
Seylan Bank PLC
DFCC Bank PLC
NTB Bank PLC
Commercial Bank of Ceylon PLC
Hatton National Bank PLC
Union Bank of Colombo PLC
Bank of Ceylon

Lawyers

Heritage Partners

No. 4, Heritage House,
Malalasekara Pedesa, Colombo 07
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