Falcon Valley Hydro Limited



FALCON VALLEY HYDRO LIMITED

INTRODUCTORY DOCUMENT

Atarah Capital (Private) Limited
Financial Advisor & Manager to the Introduction and Sponsor

FALCON VALLEY HYDRO LIMITED



INTRODUCTORY DOCUMENT

Listing of Sixteen Million (16,000,000) Ordinary Voting Shares at a Reference Price of LKR 31.00 per Share

To be listed on the Empower Board of the Colombo Stock Exchange



Atarah Capital (Private) Limited
Financial Advisor & Manager to the Introduction and Sponsor

This Introductory Document is dated 10th November 2026

The shares as referred to in this Introductory Document are to be listed on the 'Empower Board' under Alternate Market Segment of the Colombo Stock Exchange. Upon Listing, the Company will be bound by the Continuing Listing Requirements applicable to the Empower Board, incorporated under relevant sections of the CSE Listing Rules.

Therefore, prospective investors who would trade in these shares after listing are advised to read and understand the manner in which such Rules will be applicable or consult a professional party for advice prior to trading in these shares in the Secondary Market. Furthermore, if you are in doubt with regard to the contents of this document or if you require further clarification or advice, then you should consult your Stockbroker, Lawyer or any other Professional Advisor.

In accordance with the requirements of the CSE Listing Rules on entities seeking a listing on the Empower Board to obtain the services of a Sponsor approved by the CSE, Atarah Capital (Pvt) Limited will act as the Sponsor for a period not less than the release of the second Annual Report of the Company after listing.

The Colombo Stock Exchange ("CSE") has taken reasonable care to ensure full and fair disclosure of the information in this Introductory Document. However, the CSE assumes no responsibility for the accuracy of the statements made, opinions expressed, or reports included or omission of information or undisclosed information in the Introductory Document. Moreover, the CSE does not regulate the pricing of the shares, which is decided solely by the Company.

An application has been made to the Colombo Stock Exchange by the Company seeking permission for the listing of all Ordinary Voting Shares listed by the Company. Such permission shall be deemed to be granted upon the Shares of the Company being listed on the Colombo Stock Exchange.

Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Entity or of the Securities listed.

The delivery of this Introductory Document shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Introductory Document. If there is a material change, such material change will be disclosed to the market via an announcement.

Responsibility for the content of this Introductory Document

This Introductory Document has been prepared from information provided by the Board of Directors of Falcon Valley Hydro Limited (hereinafter referred to as "FVHP", or "the Company") and/or from publicly available sources. The Company and its Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which would make any statement herein misleading.

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

The Company accepts responsibility for the information contained in this Introductory Document. While the Company has taken reasonable care to ensure full and fair disclosure of information, prospective investors who would trade in these shares upon listing are advised to carefully read this Introductory Document and rely on their own examination and assessment of the Company, including the risks involved prior to making any investment decision.

Representations

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

Forward Looking Statements

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

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

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

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

Investment Considerations

It is important that this Introductory Document is read carefully prior to making an investment decision. For information concerning certain risk factors which should be considered by prospective investors, refer to "Investment Considerations and Associated Risk Factors" in Section 10 of this Introductory Document.

Presentation of Currency Information and Other Numerical Data

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

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

Presentation of Macroeconomic and Industry Data

Economic and industry data used throughout this Introductory Document are derived from the Central Bank of Sri Lanka and various other industry data sources, which the Company/ Financial Advisor & Manager to the Introduction and Sponsor believe to be reliable, however the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, whilst believed to be reliable, have not been independently verified and neither the Company nor the Financial Advisor & Managers to the Introduction and Sponsor make any representation as to the accuracy of such information.

TABLE OF CONTENTS

1.0 THE INTRODUCTION AT A GLANCE 1
2.0 CORPORATE INFORMATION 2
3.0 RELEVANT PARTIES TO THE INTRODUCTION 3
4.0 ABBREVIATIONS AND INTERPRETATIONS 4
5.0 DETAILS OF THE INTRODUCTION 6
5.1 Listing 6
5.2 Nature of the Shares to be Listed 6
5.3 Objectives of the Listing 6
5.4 Basis for the Reference Price 6
5.4.1 Quantitative Factors 7
5.4.2 Qualitative Factors 9
5.5 Inspection of Documents 9
5.6 Declaration to the CSE and Secondary Market Trading 10
6.0 THE COMPANY 11
6.1 Overview 11
6.2 Corporate Structure 11
6.3 Business Operations 12
6.4 Financial Analysis 13
6.5 Industry Overview 15
6.6 Shareholding Details of the Company 16
6.7 Human Resource 16
6.8 Taxation 16
6.9 Future Strategies of the Company and Assumptions on which such Strategies are Based Upon 16
7.0 CORPORATE STRUCTURE 18
7.1 Board of Directors 18
7.2 Profiles of the Board of Directors 18
7.3 Other Directorships Held by the Members of the Board 20
7.4 Directors' Interest in Shares 21
7.5 Sale or Purchase of Shares by the Directors 21
7.6 Corporate Governance Practices 21
7.6.1 Audit Committee 22
7.6.2 Remuneration Committee 22

7.6.3 Related Party Transactions Review Committee 22
7.7 Corporate Management Team 23
7.8 Statement by the Chief Executive Officer 23
7.9 Directors' Interest in Assets 24
8.0 CAPITAL STRUCTURE 25
8.1 Stated Capital 25
8.2 Details of Share Issues During the Period of (Two) 2 Years Prior to the Date of Introductory Document 25
8.3 Details of Share Transfers Carried Out During the Period of Past (Two) 2 Years Prior to the Date of the Initial Listing Application 25
8.4 Details of Shares Locked-in 25
8.5 Free Transferability of Shares 26
8.6 Other Securities 26
8.7 Takeover Offers 26
9.0 OTHER INFORMATION 27
9.1 Degree of Dependence on Customers or Suppliers 27
9.2 Dividend Policy 27
9.3 Details of Debt, Loan Capital and Borrowings 27
9.4 Litigation, Disputes and Contingent Liabilities 27
9.5 Management Agreements 28
9.6 Material Contracts 28
9.7 Details of Commissions Paid 28
9.8 Details of Benefits Paid to Promoters 28
9.9 Details of transactions relating to the property of the Company 28
10.0 INVESTMENT CONSIDERATIONS AND ASSOCIATED RISK FACTORS 29
11.0 STATUTORY DECLARATIONS 32
ANNEXURE 1 AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR-ENDED 31ST MARCH 2026 34
ANNEXURE 2 INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2026 58
ANNEXURE 3 RESEARCH REPORT OF THE FINANCIAL ADVISOR & MANAGER TO THE INTRODUCTION AND SPONSOR JUSTIFYING THE REFERENCE PRICE 65
ANNEXURE 4 ACCOUNTANT'S REPORT AND FIVE-YEAR SUMMARY 110

1.0 THE INTRODUCTION AT A GLANCE

Company	Falcon Valley Hydro Limited
Number of Ordinary Voting Shares to be listed	Sixteen Million (16,000,000)
Reference Price	LKR 31.00 per share
Trading Currency	Sri Lankan Rupees
CSE Listing	To be listed on the Empower Board of the CSE, subject to compliance with the CSE Listing Rules, Rules of the Central Depository Systems (Pvt) Ltd, SEC Act No. 19 of 2021 and SEC Directives (as applicable)

2.0 CORPORATE INFORMATION

Company	Falcon Valley Hydro Limited
Registered Office	Level 4, Access Tower, 278, Union Place, Colombo 02 Tel: +94 112307723 / 28 Fax: +94 112307758 Web: https://wkvgroup.lk/fav/index.html
Date, Place and Authority of Incorporation	Incorporated as a Private Limited Company under the Companies Act No. 17 of 1982 on 22nd December 2003 and re-registered on 02nd July 2008 under the Companies Act No. 07 of 2007 (as amended). The Company changed its status to a Limited Liability Company on 17th August 2026 in terms of Companies Act No. 07 of 2007 (as amended). Incorporated in Colombo
Company Number	PB 00371266
Board of Directors	Air Chief Marshal Gagan Bulathsinghala (Retd)- Chairman, Non-Executive Independent Director Air Vice Marshal Andrew Wijesuriya (Retd)– Executive Non-Independent Director Mr. Quek Wey Lon - Non-Executive Non-Independent Director Mr. Lee Foo Tuck - Non-Executive Non-Independent Director Mr. Ruchit Kandage - Non-Executive Independent Director
Company Secretary and Registrars	Nexia Corporate Consultants (Private) Limited No. 130, Level 2, Nawala Road, Narahenpita, Colombo 05 Tel: +94 11 236 8154
Auditors to the Company	KPMG (Chartered Accountants) 32A, Sir Mohamed Macan Markar Mawatha Colombo 03, Sri Lanka. Tel: +94 11 5426426 Fax: +94 11 2445872

3.0 RELEVANT PARTIES TO THE INTRODUCTION

Financial Advisor & Manager to the Introduction and Sponsor	Atarah Capital (Private) Limited **Principal place of business:** 6F6, 6th Floor, Unity Plaza, Colombo 04 Tel: 0773841033 | 0777103831 Web: www.atarahcapital.com
Lawyers to the Introduction	FJ&G de Saram 216, de Saram Place Colombo 10 Tel: +94 11 460 5100

4.0 ABBREVIATIONS AND INTERPRETATIONS

Articles of Association	Articles of Association of Falcon Valley Hydro Limited
ACPL	Atarah Capital (Pvt) Limited
ACM (Retd)	Air Chief Marshal (Retired)
Auditors and Reporting Accountants to the Company	KPMG (Chartered Accountants)
AVM (Retd)	Air Vice Marshal (Retired)
AWPLR	Last Quoted Average Weighted Prime Lending Rate published by the Central Bank of Sri Lanka
BOI	Board of Investment of Sri Lanka
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Private) Limited
CEB	Ceylon Electricity Board
CEO	Chief Executive Officer
Companies Act	Companies Act No. 07 of 2007 (as amended)
CSE	Colombo Stock Exchange
DCF	Discounted Cash Flow
Directors or "The Board" or "The Board of Directors"	The Directors for the time being of the Company, unless otherwise stated
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
FY	Financial Year
FVHP or the Company	Falcon Valley Hydro Limited
GCC	Gulf Cooperation Council region
GICS	Global Industry Classification Standards
GP	Gross Profit
GW	Gigawatt
GWh	Gigawatt-hour
Introductory Document	This Introductory Document dated 10th November 2026 issued by the Company
IFC	International Finance Corporation
KDA	Kotelawala Defence Academy
kWh	Kilowatt-hour
LKR / Rs. / Rupees	Sri Lankan Rupees
Market Day	Any day on which the CSE is open for trading
MBA	Master of Business Administration

Mn	Million
MW	Megawatt
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
NCRE	Non-Conventional Renewable Energy
n/m	Not Meaningful
NSO	National System Operator (Private) Limited
NP	Net Profit
Ordinary Voting Shares / Issued and Paid-up Ordinary Shares	Ordinary shares of the Company with the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in dividends paid by the Company and the right to an equal share in the distribution of surplus assets of the Company in liquidation
P/BV	Price-to-Book Value Ratio
PER or P/E	Price Earnings Ratio
Reference Price	The price at which the Ordinary Voting Shares will be listed on the CSE
ROE	Return on Equity
SEC	Securities and Exchange Commission of Sri Lanka
SOE	State-Owned Enterprises
SL	Sri Lanka
SLFRS / LKAS	Sri Lanka Accounting Standards
SME	Small and Medium Enterprise
SPPA	Standardised Power Purchase Agreement
TTM	Trailing Twelve Months
USA	The United States of America
UK	United Kingdom
USAID	United States Agency for International Development

5.0 DETAILS OF THE INTRODUCTION

5.1 Listing

An application has been made to the CSE for permission for a listing of Sixteen Million (16,000,000) Ordinary Voting Shares, being the entirety of the issued and paid-up Ordinary Shares of the Company. Approval in-principle has been granted by the CSE for a listing of such Shares on the Empower Board in the Alternate Market segment of the CSE. However, the CSE reserves the right to withdraw such approval, in the circumstances set out in Rule 2.3 of the CSE Listing Rules.

There are no other regulatory approvals required for FVHP to list on the CSE.

5.2 Nature of the Shares to be Listed

The Ordinary Voting Shares in issue rank equal and pari passu to each other in all respects and each Share shall confer on the holder the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in any dividend that may be paid by the Company and the right to an equal share in the distribution of the surplus assets of the Company on liquidation.

5.3 Objectives of the Listing

The Company envisages a listing for its Ordinary Voting Shares with the following objectives.

1. Enhance Corporate Visibility and brand visibility
2. Allow the Company to avail of multiple capital raising opportunities available for a listed company in the event future capital requirements arise
3. Enhance governance structures of the Company by implementing Corporate Governance requirements and complying with continuing listing requirements of the CSE

The listing on the CSE would benefit the shareholders by having the access to secondary market trading in the future (subject to lock-in applicable as set out in section 8.4 of the Introductory Document) and value creation depending on the market demand for Shares.

5.4 Basis for the Reference Price

The Reference Price for the purpose of listing on the CSE is LKR 31.00 per Share.

The Reference Price of LKR 31.00 has been decided by the Company in consultation with the Financial Advisor & Manager to the Introduction and Sponsor. The Research Report prepared by the Financial Advisor & Manager to the Introduction and Sponsor justifying the Reference Price is enclosed in Annexure 3 of this Introductory Document. The NAV per share for the financial year ended 31st March 2026 (Audited) is LKR 23.12 and the reference price is 1.34 times the NAV. Summar y of the valuation results are disclosed below.

Valuation Technique	Equity Value (LKR Mn)	Value per Share (LKR)	Weight	Weighted Value (LKR)	(Discount)/ Premium to the Reference Price
Discounted Cash Flow Basis	388.39	24.27	40.0%	9.71	(21.69%)
PER Multiple Basis (Trailing)	394.55	24.66	20.0%	4.93	(20.45%)
PER Multiple Basis (Forward)	479.63	29.98	20.0%	6.00	(3.30%)
PBV Multiple Basis	884.72	55.29	20.0%	11.06	78.37%
Weighted Average Equity Value per Share			**100.00%**	**31.70**	

Note – Figures herein are based on the absolute figures and rounded to 2 decimals when presenting.

The table above presents the equity value range of the methodologies used and implied value per Share derived under each valuation methodology. The final reference value has been determined based on a weighted combination of the selected valuation methodologies, taking into consideration both the Company's intrinsic value and reflecting its probable perceived market-based valuation against comparable listed peers. Higher weightage applied to DCF method as it provides strong visibility over future contracted cash flows, and each market-based valuation technique was given an equal weightage considering dynamic nature of the peers compared to FVHP. Refer to Annexure 3 of this Introductory Document for more details.

The investors should read the following summary, along with the risk factors included under Section 10.1 of this Introductory Document, and the details of the Company and its financial statements included in this Introductory Document.

5.4.1 Quantitative Factors

The following quantitative aspects were also taken into consideration when arriving at the Reference Price;

Earnings per Share (EPS) and Return on Equity (ROE)

For the Period Ended	Basic EPS (LKR)	Diluted EPS (LKR) *	ROE (%)	P/E (times)**
31st March 2025– Audited	3.39	3.39	15.66%	9.14
31st March 2026 – Audited	1.52	1.52	6.64%	20.39
Average of 2 financial years	2.45	2.45	11.15%	12.65
6 Months ended 30-Sep-2026 (unaudited)	(0.37)	(0.37)	n/m	n/m

** The Company does not have any convertible securities in issue as at the date of this Introductory Document.*
*** P/E is based on Reference Price of LKR 31.00 per share and divided by each EPS value*
Source: Audited Financial Statements of the Company

Based on the forecasted earnings (EPS) of LKR 2.17 for FY2026/27 and the reference price of LKR 31.00, the implied P/E multiple is 14.32 times

Formulas used in the calculations are as follows:

$$\text{Earnigs per share} = \frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted Average number of shares outstanding during the year/period}}$$

$$\text{Return on Equity (\%)} = \frac{\text{Net profit after tax}}{\text{Net Assets as at the end of the year / period}}$$

Price/ Earnings Ratio (P/E) in relation to the Reference Price of LKR 31.00,

a) Based on audited financial statements of financial year ended 31st March 2026, and based on Basic & Diluted EPS of LKR 1.52*, P/E is 20.39 times
b) Based on average EPS of LKR 2.45 for the last 2 financial years, the P/E ratio is 12.65 times
c) P/E** of selected peer companies of the CSE Utilities Sector is 15.10 ***
d) The P/E range of the selected companies of CSE Utilities sector is as given below;

	Name of the Company	P/E (x)
Highest	Resus Energy PLC	25.28
Lowest	Vallibel Power Erathna PLC	9.06

** Source: Audited Financial Statements of the Company.*
*** The P/E is calculated considering the companies listed in the Utilities Sector and based on earnings as per the audited financial statements for the year ended 31 March 2026. Market prices as per the CSE Daily Market Report as of 30th June 2026.*
**** For comparison purposes, the CSE listed companies that are somewhat similar to FVHP in terms of significant exposure to hydro power generation has been selected generation (more than 30% hydro power generation of the total power generating capacity of each company). FVHP is a 100% hydro power generator, however, there are no direct comparables hence, peer companies that are somewhat comparable having a significant hydro power exposure have been selected.*

Note: *Lotus Hydro Power PLC was excluded from the PER analysis as its PER is substantially high and considered an outlier*

Net Assets Value (NAV) and Price to Book Value (P/BV)

The P/BV in relation to the Reference Price of LKR **31.00**:

a) Based on the NAV per share for the financial year ended 31st March 2026 (Audited) of LKR 23.12, the P/BV is 1.34 times.
b) Based on the NAV per share as at 30th September 2026 (latest unaudited interim financial statements) of LKR 22.76, the P/BV is 1.36 times
c) Post Listing NAV is LKR 22.76 (which is similar to 30th September 2026 since no funds are raised)
d) Reference Price – LKR 31.00

Peer Entity accounting ratios

Considering the fact that FVHP is a hydro power generating company, CSE listed companies for comparison purposes have been selected where such companies have a significant exposure to hydro power generation which are listed under Utilities sector as per GICS.

Company Name	NAVPS	EPS	P/E	ROE*
Vidullanka PLC	9.11	1.45	15.24	16.09%
Vallibel Power Erathna PLC	4.34	1.70	9.06	39.07%
Resus Energy PLC	5.96	0.36	25.28	6.11%
Lotus Hydro Power PLC	6.13	0.11	125.45	1.79%

- *Source: Audited Financial Statements for the financial year ended 31 March 2026 and share prices as at 30 June 2026 as published in the CSE Daily Market Report.*
- *ROE is calculated as Net Profit After Tax as restated, divided by Net Assets as at the end of the financial year/period, multiplied by 100.*

5.4.2 Qualitative Factors

Following qualitative factors were considered when determining the Reference Price:

a) FVHP operates in the Utilities sector of Sri Lanka which is an essential service
b) SPPA with a term of twenty (20) years (refer section 6.0 below) which enables selling of electricity generated at the plant to the national grid in a continuing manner.
c) Probability of renewing the SPPA after its expiry for another twenty (20) years subject to NSO's approval (refer section 6.3 and 6.9 below)
d) The Company's intention to initiate new renewable energy project in (hydro or other projects such as solar energy) as a future strategy which potentially generate additional returns in the future (refer section 6.9 below).
e) Prominence given to the renewable energy sources as a part of the Government's long-term policy to become a carbon neutral generator
f) The prevailing El-Nino condition has been considered as a risk factor rather than adjusting the business valuation (refer section 10.0 of the Introductory Document for more details on climate risks).

5.5 Inspection of Documents

The following documents of the Company will be hosted in the Company's website (https://wkvgroup.lk/fav/) and the Colombo Stock Exchange's web site (www.cse.lk) for the tenure during which shares are listed:

- Articles of Association
- Introductory Document
- The audited accounts of the Company for each of the five (05) financial years immediately preceding the publication of the Introductory Document.

In terms of paragraph 2 of Rule 2.5.4 of the CSE Listing Rules, the Company will make available only the Soft Copies of the Introductory Document to the Trading Participants of the CSE within twenty (20) Market Days of receiving in-principle approval from the CSE.

The Research Report prepared by the Financial Advisor & Manager to the Introduction and Sponsor will be hosted on the Company's website (https://wkvgroup.lk/fav/) and the Colombo Stock Exchange's website (www.cse.lk) for the tenure during which shares are listed:

5.6 Declaration to the CSE and Secondary Market Trading

The Company will submit to the CSE, a 'Declaration' as set out in Appendix 2D of the CSE Listing Rules within seven (7) Market Days from and excluding the date on which the soft copies of the Introductory Document was made available to the Trading Participants of the Exchange.

As per the CSE Listing Rules, Ordinary Shares will be listed on the CSE on or before the third (3rd) Market Day from the receipt of the Declaration by the CSE.

6.0 THE COMPANY

6.1 Overview

Falcon Valley Hydro Limited is a limited liability company incorporated in Sri Lanka under the Companies Act No. 07 of 2007 (as amended). The principal business activity of the Company is to generate and supply hydroelectricity to the national grid. FVHP currently operates Falcon Valley mini hydro power plant located within Medadumbara Divisional Secretariat in Kandy District. The plant including the infrastructure such as channel path/ water tunnel etc., is situated in a leased land where the Lessor is the Land Reform Commission, as well as spans to the Company's own land. The lease of the land on which the hydro power plant is situated will be force and effect until the year 2040 with the ability to renew upon expiry. In addition, the Company has entered into a lease agreement on 30th April 2010 with an individual to use the access road to the land which extends up to April 2031. The Company intends to renew and continue the lease arrangement on access road beyond April 2031.

The plant has an installed capacity of 2.4 MW, and it is fed by Retiyagama Oya which originates from the peaks/watersheds of the Knuckles Conservation Forest.

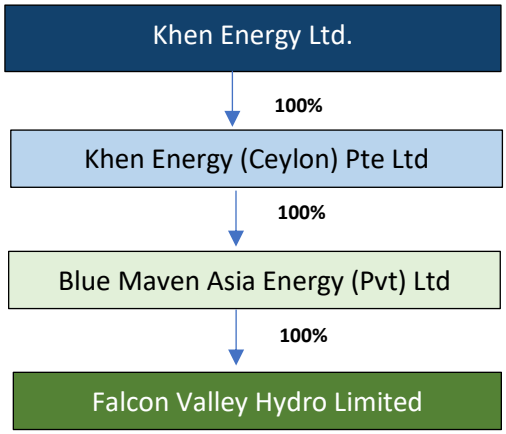
The Company has entered into a Standardised Power Purchase Agreement dated 29th September 2010 with National System Operator (Private) Limited (which, pursuant to assuming identified functions of the Ceylon Electricity Board, is now the party to the SPPA), which in terms of Article 3.1 of the SPPA, valid for a period of twenty (20) years from the date of commissioning the plant i.e. 22nd November 2012 to 21st November 2032. As per the SPPA, the Tariff Rate is fixed over the agreement period. (LKR 14.58 Kw/h)

The Company has entered into an agreement with the Board of Investment of Sri Lanka (BOI) bearing number 326 dated 7th October 2010 under section 17 of the BOI Law No. 4 of 1978. This agreement is entered between the Company and the BOI to set up the 2.4 MW mini-hydro power plant as a BOI approved investment thereby avail for tax benefits (refer section 6.8 for applicable taxes.).

The power plant being the only operating asset of the Company, readers' reference is drawn to Section 10 of this Introductory Document where the "Single-Asset Concentration Risk" is elaborated.

6.2 Corporate Structure

The Group Structure



Falcon Valley Hydro Limited became a subsidiary of Blue Maven Asia Energy (Private) Limited on 30 April 2014.

The ultimate parent entity of the Company is Khen Energy Ltd. – a company incorporated in Singapore and listed on the Catalist Board of the Singapore Stock Exchange which owns 100% of shares in FVHP through its subsidiaries as depicted above.

The immediate parent entity - Blue Maven Asia Energy (Pvt) Ltd is an investment holding company incorporated in Sri Lanka (on 19th March 2014 under the Companies Act No. 07 of 2007 and having its registered office at Level 4, Access Tower, 278, Union Place, Colombo 02) which holds 100% shares of FVHP as the sole investment as of now and operates in Sri Lanka. There are no other operations carried out by this company and no other subsidiary or associate companies are held as investments. All shares in Blue Maven Asia Energy (Private) Limited were acquired by Khen Energy (Ceylon) Pte Ltd on 29 March 2018, on which date it came under Khen Energy Ltd Group. There are no other relationships in business nature or otherwise between FVHP and Blue Maven Asia Energy (Pvt) Ltd.

Khen Energy Ltd ("KEL"), formerly known as Charisma Energy Services Limited, is a public company incorporated in Singapore, whose ordinary shares are listed on the Catalist board of the Singapore Exchange Securities Trading Limited. KEL is an investment holding company and provides management services to its subsidiaries. Through its subsidiaries, KEL is engaged in the development and operation of renewable energy power plants for the generation and sale of electricity and owns and operates 13 mini hydropower plants in Sri Lanka.

Khen Energy (Ceylon) Pte Ltd ("KEC"), formerly known as CES Green Power S.A. Pte Ltd, is a private company incorporated in Singapore and a wholly owned subsidiary of KEL. KEC is an investment holding company, through which KEL holds its energy generating companies in Sri Lanka, including FVHP.

Refer the web link for more information on Khen Energy Ltd and affiliate companies –
https://links.sgx.com/FileOpen/KEL%20-%20Annual%20Report%202025.ashx?App=Announcement&FileID=883177

Ultimate Beneficiary Ownership Details of Khen Energy Ltd.

Yin Khing Investments Limited holds 64.9% shares in Khen Energy Ltd. Mr. Patrick Tay Piak Juay and Mr. Elson Yin Fook Cheong each hold 50% of the voting shares in Yin Khing Investments Limited. In addition, Ezion Holdings Limited (In Liquidation) holds 16.02%. shares in Khen Energy Ltd where a liquidator has been appointed to the said shareholding company.

Refer the link for more details - FORM 3 – page 05

6.3 Business Operations

Falcon Valley mini hydro is the only plant operated by FVHP at present. The plant has a maximum annual generation capacity of 21.02 GWh at its installed capacity of 2.4 MW. The plant is a run-of-river configuration equipped with 2 turbines of 'Pelton type' making it a low-maintenance technology.

The plant was commissioned on 22nd November 2012 after a construction period of approximately two (2) years from the signing of the SPPA. The SPPA is due to expire on 21st November 2032 at the completion of the twenty (20) years from the date of commissioning. At the expiry of the SPPA, there is a possibility of renewing it with

NSO who has the right of first refusal, meaning that FVHP is free to negotiate with any third party for energy sales from the same plant and NSO has 60 days to match any third-party offer (however, no such third parties identified at present). Refer section 6.9 below for more details on renewal probability and other future strategies.

As intended by FVHP, in order to renew the SPPA upon expiry of the 20 years, the Company will make an application to NSO in the manner required at such time. The NSO will evaluate the application and in accordance with their internal process and timelines. In the event NSO approves the renewal, it would determine new terms and conditions (including the tariff rate and duration for the new SPPA).

The plant is classified as a "Must Run Facility." This means Falcon Valley has full operating control over generation timing and amount. NSO has an obligation to accept all conforming output. NSO can curtail only in genuine emergencies and must give 24 hours' notice before doing so.

Project Summary

Capacity	2.4 MW
Design Flow	1.4 m3/s
River Catchment	Retiyagama Oya
Head	220m
Channel Length	850m
Penstock Length	810m
Turbine Type	Pelton

The plant has an optimum annual generation capacity of 21.02 GWh and the plant factor has been in the range of 23% to 26% as reflected in the past generation data. The peak energy generation from the plant is in the months of November to February with the higher water availability fed by the first inter-monsoon and Northeast monsoon. Following table reflects the units of power generated at the plant for the past five 5 financial years.

	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A
Power generation (KWh)	5,334,966	5,556,648	5,540,529	5,493,501	4,455,029

6.4 Financial Analysis

(A) Financial Performance

FYE 31st March (LKR '000)	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A
Revenue	77,784	81,016	80,781	110,835	64,954
Cost of sales	(31,534)	(34,170)	(36,804)	(44,097)	(35,949)
Gross profit	**46,250**	**46,845**	**43,977**	**66,737**	**29,005**
GP Margin	*59.5%*	*57.8%*	*54.4%*	*60.2%*	*44.7%*
EBITDA	**59,145**	**60,006**	**56,336**	**78,195**	**38,548**
EBITDA Margin	*76.0%*	*74.1%*	*69.7%*	*70.7%*	*59.3%*

Profit before income tax expense	**37,284**	**37,770**	**41,472**	**71,378**	**35,125**
Taxation	(6,406)	(13,581)	(10,228)	(17,241)	(10,573)
Profit for the year	**30,878**	**24,190**	**31,244**	**54,138**	**24,552**
NP Margin	*39.7%*	*29.9%*	*38.7%*	*48.8%*	*37.8%*
Current Ratio (times)*	2.7	8.1	11.6	17.8	33.7
Quick Ratio (times)*	2.4	7.5	11.0	17.0	32.4
Working Capital Position (Operational) (LKR) **	67,765	94,816	22,573	29,464	35,280

Source – Audited financial statements from FY 2022 to FY 2026

Revenue movement - the FY 2026 revenue has decreased due to the temporary shutdown of the power plant for about one month following the disruptions caused by Cyclone Ditwah. In addition, the drop is notable when compared to FY 2025 where there was a higher revenue due to delay interest received from NSO on late settlements of the previous years (LKR 30.7 Mn). Excluding the one-off interest income received from the NSO on delayed settlements of previous years, the GP margin, EBITDA margin and NP margin for FY2025 were 44.94%, 59.46% and 36.89% respectively.

Cost of sales decreased by 18% in FY2026 compared to FY2025, mainly reflecting a reduction in maintenance costs which netted off against insurance compensation received on repairs made in the previous year (FY 2026).

* The current ratio increased from 17.8 times in FY2025 to 33.7 times in FY2026, mainly due to higher current assets including fixed deposits and lower current liabilities. Similarly, the quick ratio increased from 17.0 times to 32.4 times over the same period, reflecting the increase in liquid current assets and the decrease in current liabilities.

** Operational working capital is calculated as inventory plus trade and other receivables less trade and other payables. There are no significant trade payables whilst trade receivables represent amounts due from NSO on invoiced revenues. The Company has adequate cash and liquid funds to finance any working capital cycle gap.

Financial Position

FYE 31st March (LKR '000)	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026A
Total non-current assets*	207,299	189,448	171,821	154,193	136,484
Total Current assets	69,955	103,316	150,472	219,801	255,379
Total Equity	236,488	260,568	291,461	345,682	369,957
Total non-current liabilities	15,006	19,417	17,900	15,944	14,329
Total Current liabilities	25,759	12,778	12,931	12,368	7,577
Total Equity and liabilities	277,253	292,763	322,292	373,994	391,863

Source – Audited financial statements from FY 2022 to Fy 2026

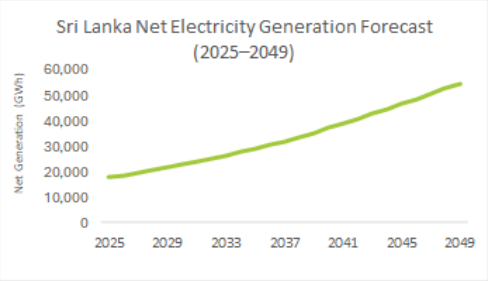
The Company does not have fixed-term borrowings; therefore, gearing ratio is nil. Interest cover ratio of FY 2026 is 13,882.13 (FY 2025 – no interest expense).

Trade and other receivables increased by approximately 25% in FY2026 compared to FY2025 mainly due to the increase in trade receivables due from NSO for electricity supplied.

* The reduction in non-current assets is mainly due to the depreciation of such assets over the period and no major addition of fixed assets as reflected throughout last 5 years.

A detailed analysis of historical financial performance of the Company can be found in Section 2 of the Research Report, which forms integral part of this Introductory Document (Annexure 3).

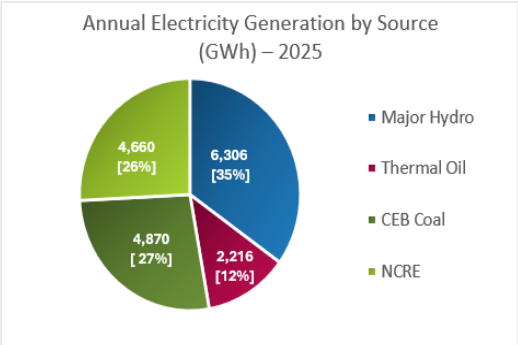
6.5 Industry Overview



Source: *Ceylon Electricity Board (CEB), Long Term Generation Expansion Plan 2025–2044, Table E1 – Base Demand Forecast 2025–2049.*

Sri Lanka's electricity sector plays a vital role in supporting economic activity and meeting the country's growing energy requirements. Electricity demand in the country has increased steadily over the years, driven by economic development, industrial and domestic utilization, and increasing electrification across the nation. Sri Lanka has access to multiple energy sources such as hydro, solar and wind whilst fossil-based energy generation also significantly contributing to the generation at present.

Sri Lanka has set a target of generating 70% of its electricity from renewable energy sources by 2030 and achieving carbon neutrality in the power sector by 2050. To support these objectives, the country continues to promote investments in renewable energy technologies, including solar, wind, mini-hydro and biomass combined with energy storage projects. [1] The Company operates a mini-hydro power plant which is classified under the Non-Conventional Renewable Energy (NCRE) category shown in the chart.



Source: *Public Utilities Commission of Sri Lanka (PUCSL), Renewable Generation Report – Quarter 4 2025, Annual Cumulative Generation by Source (GWh) as at 31 December 2025*

Sri Lanka's long-term target of becoming a carbon neutral energy generator is opening opportunities to invest in renewable energy generation projects for private sector investors. At the same time, climate changes are increasingly posing threats to renewable energy operators disturbing the trends in power generation, operational disruptions etc.

A comprehensive industry analysis provided in Section 3 of the Research Report in Annexure 3 of the Introductory Document.

[1] *Ministry of Energy, National Energy Policy and Strategies of Sri Lanka; Ceylon Electricity Board (CEB), Long Term Generation Expansion Plan 2025–2044* – accessed on 30.07.2026

6.6 Shareholding Details of the Company

As at the date of this Introductory Document, the following party is the sole shareholder of FVHP.

Name of the shareholders	Number of Ordinary Voting shares	Percentage
Blue Maven Asia Energy (Private) Limited	16,000,000	100%
Total	**16,000,000**	**100.0%**

Full particulars of the capital structure are provided under Section 8.0 of this Introductory Document.

6.7 Human Resource

As at the date of this Introductory Document, the FVHP has 13 employees.

As at the date of this Introductory Document, there are no labour unions in the Company, and no agreements have been entered into between any labour union and the Company.

6.8 Taxation

In accordance with the BOI agreement, the Company is liable for income tax on business income at a concessionary rate of 20.0% at present. Interest income is subject to the standard corporate income tax rate of 30.0%

Apart from the above, there are no other tax concessions enjoyed by the Company at present.

6.9 Future Strategies of the Company and Assumptions on which such Strategies are Based Upon

The Company intends to continue its hydropower generation activities by renewing the SPPA for another twenty (20) years upon its expiry in November 2032, subject to receiving the approval from NSO.

In addition, the Company would seek to acquire suitable land to be used for new renewable energy project (hydro or Solar power), subject to applicable laws, including the Land (Restrictions on Alienation) Act No. 38 of 2014. The Company intends to pursue a new power project plan within the next 2 – 3 years subject to availability of renewable energy projects via the Feed-In-Tariff program (“FIT”) or open tenders floated by NSO. As it takes at least 12 months to develop a new project under FIT, and pending the NSO resumption of the issue of new Standard Power Purchase Agreements (“SPPAs”), the Company is currently looking out for opportunities to acquire solar projects (1 MW –5 MW) which are already operational, subject to due diligence, the necessary approvals and the availability of funding.

Assumptions

It is expected that the SPPA will be renewed at the expiry, subject to NSO approval, since the government is encouraging renewable energy generation in its long-term plan and it makes commercial sense to renew as the tariffs for existing mini-hydro power plants are generally lower than the tariff for new plants. The company’s

ultimate parent (Khen Energy Ltd) also operates several other mini hydro power plants in Sri Lanka through other subsidiaries where all the plants that have completed the initial SPPA term were renewed for a further term. There is, however, no assurance that the SPPA will be renewed, or that it will be renewed on comparable terms.

Furthermore, management of the Company is confident, based on their experience, that the power plant will be in good running condition for another twenty (20) years from 22nd November 2032, with certain replacements of equipment if necessary.

In respect of new renewable energy projects (e.g.: hydro or solar energy), FVHP anticipates that there will be opportunities available in terms of new project initiatives and the Company would be able to secure an SPPA to implement such a project, subject to NSO resuming the issue of new SPPAs since the government also encourage renewable energy projects and energy is an essential need. The Company also envisages that there would be certain opportunities to acquire solar projects which are already operational.

It is envisaged that the required funds for new projects and acquisitions or for replacement capital expenditure could be allocated from internally generated cash and any funding gaps could be bridged using bank facilities or through raising fresh capital infusions in the future.

Potential investors are advised to read Section 10 of this Introductory Document to understand the risks that would impact above strategies.

7.0 CORPORATE STRUCTURE

7.1 Board of Directors

The Board of Directors of the Company comprises five Directors consisting of one Executive Director, two Non-Executive Non-Independent Directors and two Non-Executive Independent Directors. The Board is responsible for overseeing the business affairs of the Company and provides leadership via formulating business strategies. The details of the Directors are set out below:

Name	Nature of the Directorship	Date Appointed
Air Chief Marshal Gagan Bulathsinghala (Retd)	Chairman, Non-Executive Independent Director	15th July 2026
Air Vice Marshal Andrew Wijesooriya (Retd)	Executive Non-Independent Director	23rd July 2026
Mr. Quek Wey Lon	Non-Executive Non-Independent Director	26th January 2024
Mr. Lee Foo Tuck	Non-Executive Non-Independent Director	28th July 2026
Mr. Ruchit Kandage	Non-Executive Independent Director	12th August 2026

7.2 Profiles of the Board of Directors

Air Chief Marshal Gagan Bulathsinghala (Retd) - Chairman - Non-Executive Independent Director

Air Chief Marshal Gagan Pulasthi Bulathsinghala (Retd) ("ACM Gagan") was appointed as a Non-Executive Independent Director of the ultimate parent company of FVHP on 26th January 2024. He is a retired senior officer of the Sri Lanka Air Force (SLAF). He served as the 15th Chief of the Air Staff from June 15, 2015, until his retirement on September 12, 2016. ACM Gagan was a VVIP-rated helicopter and fixed wing pilot with over 4,500 flying hours and flew for four heads of state. After his retirement, he was appointed as the Sri Lankan Ambassador to Afghanistan from 2017 to 2019.

ACM Gagan is a graduate of the Air Command & Staff College at Air University - Maxwell Air Force Base, Alabama, USA and the prestigious National Defense College - New Delhi and holds Post graduate degrees of Master in Philosophy in Defense and Strategic Studies- University of Madras, Chennai, and a Master of Science Degree in Defense Studies in Management from Kothalawala Defense University, Sri Lanka. He is a fellow of Asia Pacific Center for Security Studies, Hawaii, the Near East South Asia Centre for Strategic Studies and National Defense University, Washington. ACM Gagan is currently a Non-executive Independent Director of Khen Energy Ltd (ultimate parent company) which is listed on the Catalist Board of the Stock Exchange of Singapore.

Air Vice Marshal Andrew Wijesuriya (Retd) - Executive* Non-Independent *Director

Air Vice Marshal Andrew Wijesuriya (Retd) was appointed as Executive, Non-Independent director of the Company on 23rd July 2026. He was head of the Aeronautical Engineering Branch of the Air Force and at the time of retirement in Nov 2021 held the appointment of the Deputy Chief of Staff. His career in the Sri Lankan Air Force which spanned a period of 35 years gained him extensive experience in Aircraft Maintenance and

Aircraft Maintenance Management, Quality Assurance, Vehicle fleet Operations & Maintenance Management, Engineering Management and in Human Resource Management.

After retirement, he volunteered with the Sri Lanka Scout Association for a period of 3 years where he held the appointment of Assistant Chief Commissioner (Admin) at the time he relinquished office in Oct 2025. He is also a Non-Executive Independent Director at Thompson Associates (Pvt) Ltd and Total Media Direction (Pvt) Ltd, appointments he has held since February 2022.

AVM Andrew is a graduate of the National Defence University, Islamabad, Pakistan and the Air Command & Staff College at Air University, Alabama, USA and holds Post graduate degrees of Master of Science in National Security and War Studies (Pak), Master of Operational Art and Science (USA), Master of Defence Studies (University of Kelaniya, Sri Lanka) and Master of Science (Defence Studies) in Management (KDA, Sri Lanka).

Mr. Quek Wey Lon - Non-executive Non-independent Director

Mr. Quek Wey Lon is a Fellow of the Institute of Chartered Accountants in England and Wales and member of the Institute of Singapore Chartered Accountants. He also holds a first-class honors degree in Electrical and Electronics Engineering from King's College - University of London. He has over 30 years of professional experience in audit, finance and senior management roles. He is currently the Director of Finance of Khen Energy Ltd., the ultimate parent company of FVHP.

Mr. Lee Foo Tuck - Non-executive Non-independent Director

Mr. Lee Foo Tuck is a Fellow of the Association of Chartered Certified Accountants (UK). He has over 40 years of professional experience in audit, finance and senior management roles. He is currently the Financial Controller of Khen Energy Ltd, the ultimate parent company of FVHP.

Mr.* Ruchit Kandage - *Non-Executive Independent Director

Mr. Ruchit Kandage is a Chartered Global Management Accountant and a member of the Chartered Institute of Management Accountants, UK, with over 30 years of experience in corporate finance, energy and infrastructure across Asia and the GCC. He holds an MBA from London Business School and a Bachelor of Business Administration (Honours) from the University of Colombo.

His experience includes senior finance responsibilities with a major petrochemical joint venture in Abu Dhabi and Singapore. He subsequently served as Chief Operating Officer and Lead Transaction Advisor of the National Agency for Public-Private Partnership, Ministry of Finance, Sri Lanka, and as Deputy Chief of Party and Senior Energy Transaction Advisor with the USAID Sri Lanka Energy Program.

Mr. Kandage also serves as an Independent Non-Executive Director of SMB Finance PLC, with board committee responsibilities covering audit, risk management, related party transactions and information technology.

7.3 Other Directorships Held by the Members of the Board

Name	Other Directorships held	Nature of the Directorship
Air Chief Marshal Gagan Bulathsinghala (Retd)	Khen Energy Ltd.	Non-Executive Independent Director
	Serendib Eco Ventures (Pvt) Ltd.	Non-Executive Non-Independent Director
	WKV Hydro Technics (Private) Limited	Non-Executive Independent Director
	Jericho Solar (Pvt) Ltd	Non-Executive Independent Director
	Galilee BESS (Private) Limited	Non-Executive Independent Director
	Antioch BESS (Private) Limited	Non-Executive Independent Director
	Blue Maven Asia Energy (Private) Limited	Non-Executive Independent Director
	Upcountry Power Supply International (Private) Limited	Non-Executive Independent Director
	Hynford Water Power (Private) Limited	Non-Executive Independent Director
	Math Hydro Power (Private) Limited	Non-Executive Independent Director
Air Vice Marshal Andrew Wijesooriya (Retd)	Serendib Eco Ventures (Pvt) Ltd.	Executive Director
	WKV Hydro Technics (Private) Limited	Executive Director
	Jericho Solar (Pvt) Ltd	Executive Director
	Galilee BESS (Private) Limited	Executive Director
	Blue Maven Asia Energy (Private) Limited	Executive Director
	Upcountry Power Supply International (Private) Limited	Executive Director
	Hynford Water Power (Private) Limited	Executive Director
	Math Hydro Power (Private) Limited	Executive Director
	Thompson Associates (Pvt) Ltd	Non-Executive Independent Director
	Total Media Direction (Pvt) Ltd	Non-Executive Independent Director
Mr. Quek Wey Lon	WKV Hydro Technics (Private) Limited	Non-Executive Non-Independent Director
	Blue Maven Asia Energy (Private) Limited	Non-Executive Non-Independent Director
	Upcountry Power Supply International (Private) Limited	Non-Executive Non-Independent Director
	Antioch BESS (Private) Limited	Non-Executive Non-Independent Director
	Galilee BESS (Private) Limited	Non-Executive Non-Independent Director

	Hynford Water Power (Private) Limited	Non-Executive Non-Independent Director
	Math Hydro Power (Private) Limited	Non-Executive Non-Independent Director
	Serendib Eco Ventures (Pvt) Ltd	Non-Executive Non-Independent Director
	Jericho Solar (Pvt) Ltd	Non-Executive Non-Independent Director
	Ventus Global Pte Ltd.	Non-Executive Director*
	Harmos Pte Ltd.	Non-Executive Director*
	Cosmic Marval International Ltd.	Non-Executive Director*
	SAEMS Capital II B.V.	Non-Executive Director*
	Khen Energy (Ceylon) Pte. Ltd.	Non-Executive Director*
	CES Oil Services Pte. Ltd.	Non-Executive Director*
		** Non-independent directorship*
Mr. Lee Foo Tuck	Khen Energy (Ceylon) Pte. Ltd.	Non-Executive Non-Independent Director
Mr. Ruchit Kandage	SMB Finance PLC	Non-Executive Independent Director

7.4 Directors' Interest in Shares

None of the Directors hold shares in the Company as at the date of this Introductory Document:

Air Chief Marshal Gagan Bulathsinghala (Retd), Air Vice Marshal Andrew Wijesooriya (Retd) and Mr. Quek Wey Lon are directors of Blue Maven Asia Energy (Private) Limited, which is the immediate parent company of FVHP.

7.5 Sale or Purchase of Shares by the Directors

There were no sales or purchases of shares made by the Directors of the Company during the last 12 months prior to the date of this Introductory Document.

7.6 Corporate Governance Practices

The Company as a part of its transformation into a public company has identified the importance of good corporate governance practices that would enhance corporate transparency by having a robust system of internal controls, procedures and financial reporting.

At present, the Company has two Non-Executive Independent Directors on the Board as follows:

- Mr. Ruchit Kandage
- Air Chief Marshal Gagan Bulathsinghala (Retd)

The Board has appointed the above two Non-Executive Independent Directors to the following committees, that support maintaining a healthy governance structure and best practices:

1. Audit Committee
2. Remuneration Committee
3. Related Party Transactions Review Committee

7.6.1 Audit Committee

Audit Committee comprises two Non-executive Independent Directors and one Non-executive Non-Independent Director where they are empowered to oversee the financial reporting processes, internal controls, internal audit, whistle blowing activities, and assess the independence and performance of external auditors. The Audit Committee performs the required functions as stipulated under Rule 9.19.6 of the CSE Listing Rules.

The committee comprises of the following directors:

- Mr. Ruchit Kandage - Non-Executive Independent Director - Chairman
- Air Chief Marshal Gagan Bulathsinghala (Retd) - Non-Executive Independent Director - Member
- Mr. Quek Wey Lon - Non-Executive Non-Independent Director - Member

7.6.2 Remuneration Committee

The Remuneration Committee of the Company is established to assist the Board by making recommendations relating to determination of the remuneration (cash and non-cash benefits) payable to the executive and non-executive directors of the Company. The Remuneration Committee performs the required functions as stipulated under Rule 9.19.5 of the CSE Listing Rules.

The committee comprises of the following directors:

- Air Chief Marshal Gagan Bulathsinghala (Retd) - Non-Executive Independent Director - Chairman
- Mr. Ruchit Kandage - Non-Executive Independent Director - Member
- Mr. Quek Wey Lon - Non-Executive Non-Independent Director - Member

The remuneration policy of the Company is to maintain a balance between providing a suitable compensation to the employees and their performance for the best interest of the Company and the shareholders. The Committee recommends the remuneration payable to the Executive Directors and CEO of the Company and/or equivalent position thereof, to the Board of the Company.

7.6.3 Related Party Transactions Review Committee

The scope of the committee is to provide independent review and oversight of related party transactions to ensure such transactions are executed in a transparent manner whilst being compliant with applicable regulations upon listing. The Committee ensures compliance with Rule 9.19.7 (a) of the CSE Listing Rule.

The committee comprises of the following directors:

- Mr. Ruchit Kandage - Non-Executive Independent Directors - Chairman
- Air Chief Marshal Gagan Bulathsinghala (Retd) - Non-Executive Independent Directors - Member
- Mr. Quek Wey Lon - Non-Executive Non-Independent Directors - Member

7.7 Corporate Management Team

Air Vice Marshal Andrew Wijesuriya (Retd.)
Executive Director

Please refer to section 7.2 for the profile.

Thusitha Peiris
Chief Executive Officer (CEO)

A Certified Business Accountant, Thusitha began his career as an Audit Supervisor at KPMG before combining academic study with practical expertise in business, finance, administration, manufacturing, and marketing. He joined WKV Hydro Technologies Group in 2015 as Group General Manager, where he led business development and oversaw operations, and was promoted to Group CEO in April 2022 and currently also oversees the functions of FVHP as the CEO. He was the founding chairman of the Federation of Renewable Energy Developers, a member of the Ceylon Chamber of Commerce, and president of the Small Hydro Power Developers Association from 2021 to 2025, providing leadership that supported the growth and sustainability of Sri Lanka's renewable energy sector.

Drawing on more than 11 years of industry experience, he worked closely with the Ministry of Energy, Ministry of Finance, Sri Lanka Sustainable Energy Authority, PUCSL, CEB, CEA, and other government agencies to shape policies and frameworks that advance the country's renewable energy sector.

Gerard Suares
Chief Financial Officer

Gerard Suares is a Chartered Accountant with over 30 years of experience in finance, accounting, and business leadership. Beginning his career as an Audit Supervisor at KPMG, he progressed through senior finance roles in five listed companies, from Accountant at John Keells Holdings PLC to Chief Financial Officer at Norfolk Foods (a subsidiary of Expolanka Holdings Limited) and C.W. Mackie PLC. Gerard oversees the finance function of FVHP since August 2017.

He has extensive cross-industry experience spanning manufacturing, distribution, retail, import/export, trading, real estate, hire purchase, loans, leasing, and finance. In addition to finance leadership, he has managed IT and HR functions and led the implementation of SAP and Oracle ERP systems.

Gerard has also served as a director of subsidiary companies within two listed corporate groups. He is a Fellow Member of the Institute of Chartered Accountants of Sri Lanka, the Institute of Certified Management Accountants of Sri Lanka, and the Association of Accounting Technicians of Sri Lanka, and holds an MBA from the University of Wales, UK.

7.8 Statement by the Chief Executive Officer

The CEO of the Company - Mr. Thusitha Peiris meets the fit and proper criteria set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.

7.9 Directors' Interest in Assets

Directors hold no interest in assets acquired, disposed of, or leased by the Company during the two (2) years preceding the date of this Introductory document and/or in any assets proposed to be acquired, disposed of or leased during the two (2) years succeeding the Listing.

8.0 CAPITAL STRUCTURE

8.1 Stated Capital

The stated capital of the Company, constituting of monies received by the Company from the issue of shares, is as detailed below:

Description	31-Mar-26	31-Mar-25	31-Mar-24
Number of Shares	16,000,000	16,000,000	16,000,000
Stated capital (LKR)	160,000,000	160,000,000	160,000,000

There are no changes to the number of shares and stated capital over the past three (3) financial years and stands unchanged as of the date of this Introductory Document. Blue Maven Asia Energy (Pvt) Ltd is holding the shares of FVHP since 30th April 2014.

Holders of the Ordinary Shares of the Company have, with regard to each share, the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in dividends paid by the Company and the right to an equal share in the distribution of the surplus assets of the Company on liquidation.

There were no shares redeemed or re-purchased or there has been no reduction of stated capital taken place during the two (2)-year period immediately preceding the date of the Introductory Document

Furthermore, there were no Ordinary Voting Shares or other classes of securities subscribed to or sold privately, in conjunction with the proposed listing of the Ordinary Voting Shares of the Company.

Please refer to Section 6.6 of this Introductory Document for the details of existing shareholder of the Company.

8.2 Details of Share Issues During the Period of (Two) 2 Years Prior to the Date of Introductory Document

No new shares were issued during the two (2) year period preceding the date of this Introductory Document.

8.3 Details of Share Transfers Carried Out During the Period of Past (Two) 2 Years Prior to the Date of the Initial Listing Application

There were no share transfers during the two (2) year period immediately preceding the date of the initial listing application.

8.4 Details of Shares Locked-in

In terms of Rule 2.1.1 (f) of the CSE Listing Rules, Shares referred as 'locked-in' in the table below will not be available for secondary market trading on the CSE upon listing, and until the lock-in period is lapsed.

Shares 'Locked-in' and not 'Locked-in'

Category of Shareholders (Pre-Listing)	Locked-in Shares	The Months after which the Shares will be Available for Trading	No. of Shares	No. of Shares as a percentage of Total Number of Shares in Issue (Pre-Listing)
Non-Public	Shares held by non-public shareholders prior to the date of Initial listing application - **Locked-in**	6 months from the date of listing	16,000,000	100%
Total			**16,000,000**	**100.00%**

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

For the purpose of determination of the locked-in period for shares as per Rule 2.1.1 (f) of the CSE Listing Rules, Non-public and Public shareholders have been identified according to the definition provided under Section 2.1.1 of the CSE Listing Rules.

It should be noted that there is no minimum public holding requirement applicable for the Company since a listing is sought on the Empower Board of the CSE.

No change to the current shareholding will take place from the date of Initial Listing Application to the date of listing.

8.5 Free Transferability of Shares

Upon the Ordinary Shares being listed on the CSE, such Shares shall be freely transferable except for those Shares that will be locked in as mentioned in Section 8.4 of this Introductory Document which will be locked in for a specific period as detailed therein. Such locked-in shares will be available for trading after the said locked-in period.

8.6 Other Securities

The Company has not issued any convertible debt securities or any other class of shares or securities other than the Ordinary Voting shares in issue as stated in this Introductory Document.

8.7 Takeover Offers

There have been no takeover offers by third parties in respect of the Company's shares during the past two (2) years and no takeover offers have been made by the Company in respect of shares of third parties.

9.0 OTHER INFORMATION

9.1 Degree of Dependence on Customers or Suppliers

The Company sells entirety of the power generated to the NSO in accordance with the SPPA. Hence, the NSO is the only customer with a 100% dependency.

Given the nature of the business, there is no dependency on one or more suppliers for FVHP.

9.2 Dividend Policy

During the past five (5) financial years, no dividend payments have been made by the Company.

The Company may, subject to the provisions of the Articles of Association and the Companies Act , make dividend payments to its shareholders by distribution of profits made from time to time. The extent of the dividend distributions would depend on the level of profits, future capital requirements and availability of liquid funds etc. The rights of holders of Ordinary Shares of FVHP rank equal and pari-passu in respect of dividend distributions.

9.3 Details of Debt, Loan Capital and Borrowings

a) As of the date of this Introductory Document, FVHP has not issued any debt securities or convertible securities.
b) The Company has not obtained loans or other borrowings as of 30th September ne 2026. The Company has a bank overdraft (book overdraft) of LKR 38,148/- as of 30th September 2026. Other than the lease pre-payment for the access road to the plant which is disclosed under ''prepaid lease" in the statement of financial position amounting to LKR 1,164,855/- (as of 30th September 2026), no other lease liabilities or pre-payments exist at present
c) There are no mortgages, charges or encumbrances over the Company's assets as at the date of this Introductory Document.
d) As of 30th September 2026, the Company does not have any Lease, lease purchase or hire purchase commitments.
e) There are no any other liabilities under acceptance (other than normal trading bills) or acceptance credits as at the date of this Introductory Document.
f) As at the date of this Introductory Document, the Company has not provided guarantees to any party.

9.4 Litigation, Disputes and Contingent Liabilities

As at the date of this Introductory Document, there are no

a) No any threatened, imminent, ongoing or past legal, arbitration or mediation proceedings to which the Company is/was a party to and which does/could have a material bearing on the Company.
b) contingent liabilities that would affect current and future profits of the Company and the group.
c) As at the date of this Introductory Document, there are no penalties imposed by the regulatory and state authorities

9.5 Management Agreements

As at the date of the Introductory Document, there are no management agreements presently in force or currently being considered by the Company.

9.6 Material Contracts

There are no material contracts entered into by the Company, other than those contracts entered into in the ordinary course of business.

9.7 Details of Commissions Paid

No commission has been paid in the two (2) years preceding the listing or payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares of the Company.

9.8 Details of Benefits Paid to Promoters

No benefit has been paid or given within the two (2) years preceding the listing and there are no benefits intended to be paid or given to any promoter.

9.9 Details of transactions relating to the property of the Company

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

10.0 INVESTMENT CONSIDERATIONS AND ASSOCIATED RISK FACTORS

Prospective investors who wish to buy shares of the Company in the secondary market should pay particular attention to the fact that FVHP and its business activities are subject to a number of risk factors which may be within or outside the control of FVHP.

These risk factors may be considered material to investors in making an informed judgment on the Company. If any of the considerations and uncertainties given below develop into actual events, the Company's business, financial conditions or results of operations and prospects could be adversely affected. However, given the importance of the industry in which the Company operates and due to strategic initiatives employed by the Company, the business operations of FVHP are expected to become sustainable in the foreseeable future.

Risks Related to the Industry

- **Hydrological and Climate Risks -** As a mini-hydro power producer, the Company's electricity generation depends on water availability and rainfall patterns within the Retiyagama Oya catchment area. Prolonged drought or lower-than-expected rainfall could reduce electricity generation, while other extreme weather conditions such as cyclones could disrupt operations. Climate conditions such as El Nino may also influence rainfall patterns and water availability, although the impact may vary depending on the location and the individual event. Any significant deviation from normal hydrological conditions could affect the Company's revenue and profitability. However, most recent rainfall data for this area in which the power plant operates is not publicly available, hence the revenue forecasts are based on historical Plant Load Factors of achieved by the Company.

  It is noteworthy to highlight the current El-Nino condition faced by Sri Lanka and many other countries, which could impact hydropower generation. The Meteorology Department of Sri Lanka in its latest update has indicated a greater than 90% chance of a very strong El-Nino during September–November 2026 to November–January 2026/27. The Department has forecast below-average rainfall across most parts of Sri Lanka in September 2026, while above-average rainfall is expected in several areas from October 2026 onwards. El-Nino conditions may continue to influence rainfall patterns into early 2027, although the impact may vary according to the location and individual weather conditions[1]. Accordingly changes in rainfall and water availability could affect the Company's electricity generation and revenue.

  Hydrological risk is an inherent risk for any hydro power plant which can be mitigated by diversifying into other forms of energy generation such as solar or wind power. As mentioned under future strategies in section 6.9 of the Introductory Document, FVHP is looking out for opportunities to acquire operational solar energy projects which would assist in mitigating the business impact from hydrological risks.

  Similarly, the climate changes are out of Company's control where any damages caused by such events to the plant from such fact are covered under insurance policies.

- **Natural Disaster Risk -** The Company's power plant is exposed to natural disasters and extreme weather events, including cyclones and landslides. Such events may result in temporary shutdowns, damage to civil works and plant infrastructure, and additional repair and maintenance costs. The operational

[1] Department of Meteorology, Update on El Nino Conditions – 10th September 2026.

disruption caused by Cyclone Ditwah during FY2026 demonstrates the Company's exposure to these risks. The Company has insurance coverage for its plant & machinery against risks of breakdown and other incidents such as fire, floods etc.

- **Legal and regulatory risks –** Energy supply is a key function of a country, and the Governments are very particular on maintaining continuous supply and sustainability of this sector. In Sri Lanka also, the Government has strict policies to ensure smooth functioning of the energy sector, particularly electricity generation. Renewable energy sector is in high focus with the Government promoting its expansion as a sustainable solution, which is a positive factor. If there are frequent changes in tariff rates, changes to taxes and levies on equipment used in setting up power plants, they become the key challenges for the sector.

Risks Related to Business Operations of FVHP

- **Renewal of SPPA -** The renewable energy industry in Sri Lanka operates largely under long-term SPPAs. FVHP's existing SPPA expires in November 2032, and any delay in renewal or renewal on less favorable terms, including a lower tariff, could adversely affect the Company's future revenue and profitability. However, based on the renewal of SPPAs for similar mini-hydropower projects in Sri Lanka following their expiry, together with the Government's continued focus on increasing renewable energy generation, the Company believes there is a higher probability that the NSO will agree to the renewal of the SPPA.

- **Regulatory and Compliance Risk -** The Company operates under a SPPA with NSO and benefits from concessions under its BOI agreement. Changes to the regulatory framework, government policies, or the terms of these agreements could adversely affect the Company's operations and profitability.

- **Single-Asset Concentration Risk -** The Company operates a single 2.4 MW mini-hydro power plant comprising two generating units of 1.2 MW each. Any prolonged shutdown, complete equipment failure, damage to the facility or other operational disruption affecting one or both generating units could adversely impact electricity generation and revenue. As the Company does not own any other power generation facility, it is unable to fully offset any loss of electricity generation from this plant if aforesaid risks materialized.

- **Counterparty Risk** - The Company sells all electricity generated by the power plant to NSO under the existing SPPA. Any delay in the settlement of receivables or failure by NSO to fulfil its contractual obligations could adversely affect FVHP's cash flows and liquidity.

- **Business Continuity Risk –** Given the single-asset exposure with a finite SPPA, in the event FVHP is unable to renew the same upon expiry or unable to launch a new project or acquire an operational project prior to November 2032, the continuity of the business as a power generator would be impacted. However, based on the information disclosed in the Introductory Document, the chance of materializing such risk is comparatively low. Since the Company already has significant amount of internally generated funds, FVHP could even divert it to a different business subject to required approvals (as applicable), if this risk materializes.

- **Risk of NNSO not issuing new SPPAs-** Time to time, the NSO may suspend or delay in issuing new SPPAs for new power plant establishments These events could impact the new project initiatives by power project developers. Since the Company also plans to launch a new power project as mentioned in section 6.9, NSO not issuing or delaying the issuance of SPPAs could impact the company's plans and thereby negatively impact the anticipated cashflows from such projects.

Macroeconomic Risks

- **Inflation Risk -** The Company is exposed to increases in employee costs, maintenance expenses, insurance and other operating and administrative costs due to inflation. As the tariff under the existing SPPA is fixed, sustained increases in operating costs could reduce the Company's operating margins and profitability.

- **Interest Rate Risk -** The Company holds a significant portion of its funds in fixed deposits and earns finance income from these investments. A decline in market interest rates could reduce future interest income and profitability. In addition, if the Company undertakes new projects requiring external financing, higher borrowing costs could adversely affect the returns and profitability of such projects.

Risks Related to Shares and Secondary Market Trading

- **Non-existence of prior market for the Shares -** Prior to listing, there has been no public market for the Company's Shares. There can be no assurance that an active trading market for the Shares will develop or if developed, will be sustained, or that the market price of the Shares shall not decline below the Reference Price. The Reference Price is the price at which the Shares will be listed on the CSE and may not be indicative of the market price for the Company's Shares after listing. In addition, once trading commences for the shares, market prices are subject to fluctuations depending on a company's financial performance, macro-economic factors and investors' perception on long-term business sustainability of the company.

- **SME sector company investment considerations** - It is a general perception that the risks are greater for a relatively smaller size business as compared to a company with a significant capital investment, asset base and a market presence etc. As such, potential for success for a company classified as a SME is evaluated taking into consideration of quantitative factors such as capital/ assets base, market share etc., and the qualitative factors such as strengths of the management, business development strategy, Corporate Governance structures etc. Therefore, potential investors are advised to make an appropriate assessment of these factors and associated risks when making an investment decision.

11.0 STATUTORY DECLARATIONS

Statutory Declaration by the Directors

10th November 2026

This Introductory Document has been seen and approved by the Directors of the Company and they collectively and individually accept full responsibility for the accuracy and completeness of the information given and confirm that provisions of the Listing Rules of the Colombo Stock Exchange and of the Companies Act No. 07 of 2007 and any amendments to it from time to time have been complied with and after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts and omissions, which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of the Company have been given in the Introductory Document, such representations have been made after due and careful enquiry of the information available to the Company and making assumptions that are considered to be reasonable at the present point in time in the best judgement of the directors.

Furthermore, the directors of this Company meet the fit and proper criteria as set out in Section 9 of the Listing Rules of the Colombo Stock Exchange

Name	Signature
Air Chief Marshal Gagan Bulathsinghala (Retd)	Sgd.
Air Vice Marshal Andrew Wijesooriya (Retd)	Sgd.
Mr. Quek Wey Lon	Sgd.
Mr. Lee Foo Tuck	Sgd.
Mr. Ruchit Kandage	Sgd.

Declaration by the Company

10th November 2026

An application has been made to the Colombo Stock Exchange by the Company seeking permission for the listing of Ordinary Voting Shares by the Company. Such permission shall be deemed to be granted upon the Securities of the Company being listed on the Colombo Stock Exchange.

The Colombo Stock Exchange assumes no responsibility for the accuracy of any of the contents of this introductory Document, including but not limited to statements made, opinions expressed, reports included or omissions made therein. Listing on the Colombo Stock Exchange is not to be taken as an indication of the merits of the Company or of the Ordinary Voting Shares listed.

Sgd.
Director

Sgd.
Director

Declaration by the Manager to the Introduction

10th November 2026

To the best of our knowledge and belief, the introductory document constitutes full and true disclosure of all material facts about the introduction and the Company; and where appropriate, it has satisfied itself that profit forecasts have been stated by the directors after due and careful enquiry.

Sgd.
Director

ANNEXURE 1

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR-ENDED 31ST MARCH 2026

FALCON VALLEY HYDRO
(PRIVATE) LIMITED

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 MARCH 2026

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. 0. Box 186,
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF FALCON VALLEY HYDRO POWER (PRIVATE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Falcon Valley Hydro Power (Private) Limited ("the Company"), which comprise the statement of financial position as at 31 March 2026, and the statement of 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 policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. These financial statements does not include the other information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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T.J.S. Rajakarier FCA
W.K.D.C. Abeyrathne FCA
Ms. B.K.D.T.N. Rodrigo FCA
Ms. C.T.K.N. Perera ACA
R. G. H. Raddella ACA,
W.W.J.C. Perera FCA
G.A.U. Karunaratne FCA
R.H. Rajan FCA
A.M.R.P. Alahakoon ACA
Ms. S. Joseph FCA
R.M.D.B. Rajapakse FCA
M.N.M. Shameel FCA
Ms. P.M.K. Sumanasekara FCA

Principals: S.R.I. Perera FCMA (UK), LLB; Attorney-at-Law, H.S. Goonewardene ACA, Ms. F. R. Ziyard ACA, FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dharmaratne

KPMG

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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at Sri Lanka Accounting and Auditing Standards website at: http://slaasc.com/auditing/auditorsresponsibility.php. This description forms part of our auditor's report.

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.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
19 May 2026

FALCON VALLEY HYDRO (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March,	Note	2026 LKR	2025 LKR
Revenue	5	**64,954,327**	**110,834,670**
Cost of sales		(35,949,197)	(44,097,476)
Gross profit		**29,005,130**	**66,737,194**
Other income	6	1,120	170,000
Administrative expenses	7	(8,335,782)	(6,383,409)
Profit from operating activities		**20,670,468**	**60,523,785**
Net finance income	8	14,454,834	10,854,532
Profit before taxation	9	**35,125,302**	**71,378,317**
Income tax expense	10	(10,572,809)	(17,240,724)
Profit for the year		**24,552,493**	**54,137,593**
Other comprehensive income			
Actuarial (loss)/ gain from employee benefit obligation		(346,030)	103,729
Deferred tax on actuarial loss/ (gain)		69,206	(20,746)
Total comprehensive income for the year		**24,275,669**	**54,220,576**
Earning per share	11	**1.52**	**3.39**

Figures in brackets indicate deductions.
The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements.

FALCON VALLEY HYDRO (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 March,	Note	2026 LKR	2025 LKR
ASSETS			
Non- current assets			
Property, plant and equipment	12	135,090,369	152,346,204
Pre Paid Land lease	13	1,394,855	1,847,235
Total non- current assets		**136,485,224**	**154,193,439**
Current assets			
Inventories	14	10,282,924	9,693,873
Trade and other receivables	15	27,749,227	22,269,485
Pre Paid Land Lease	13	452,380	452,380
Investment on fixed deposits	16	200,000,000	100,000,000
Cash and cash equivalents	17	16,894,123	87,385,553
Total current assets		**255,378,654**	**219,801,291**
Total assets		**391,863,878**	**373,994,730**
EQUITY AND LIABILITIES			
Equity attributable to the shareholders			
Stated capital	18	160,000,000	160,000,000
Retained earnings		209,958,053	185,682,384
Total equity		**369,958,053**	**345,682,384**
Non-current liabilities			
Retirement benefit obligations	19	1,814,764	1,361,951
Deferred tax liability	20	12,514,259	14,581,954
Total non- current liabilities		**14,329,023**	**15,943,905**
Current liabilities			
Trade and other payables	21	2,752,018	2,499,716
Income tax payable		3,642,754	7,057,810
Amount Due to Related Paries	22	-	2,500,000
Bank overdraft	17	1,182,030	310,915
Total current liabilities		**7,576,802**	**12,368,441**
Total liabilities		**21,905,825**	**28,312,346**
Total equity and liabilities		**391,863,878**	**373,994,730**
Net asset value per share (LKR)		**23.12**	**21.61**

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements.

I certify that these financial statements have been prepared in compliance with the requirements of Companies Act No. 07 of 2007.

.....
Chief Financial Officer

The Board of directors is responsible for the preparation and presentation of these financial statements in accordance with SLFRSs.

Approved and signed for and on behalf of the Board of Directors:

.....
Director

.....
Director

30 April 2026
Colombo

FALCON VALLEY HYDRO (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March,

	Stated Capital	Retained earnings	Total
	LKR	LKR	LKR
Balance as at 01 April 2024	**160,000,000**	**131,461,808**	**291,461,808**
Profit for the year	-	54,137,593	54,137,593
Other comprehensive income, net of tax	-	82,983	82,983
Balance as at 31 March 2025	**160,000,000**	**185,682,384**	**345,682,384**
Profit for the year	-	24,552,493	24,552,493
Other comprehensive loss, net of tax	-	(276,824)	(276,824)
Balance as at 31 March 2026	**160,000,000**	**209,958,053**	**369,958,053**

Figures in brackets indicate deductions.
The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements.

FALCON VALLEY HYDRO (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS

As at 31 March,	2026 LKR	2025 LKR
Profit before taxation	**35,125,302**	**71,378,317**
Adjustments for;		
Interest income	(14,456,322)	(10,848,781)
Finance expense	1,489	-
Depreciation charge	17,425,922	17,388,656
Charge for/(reversal of) defined benefit obligation	282,283	300,189
Amortization of land lease	452,380	452,380
Disposal gain from property, plant and equipment	-	(170,000)
Operating profit before working capital changes	**38,831,054**	**78,500,761**
Decrease/(Increase) in inventories	(589,051)	(1,577,631)
Decrease/(increase) in trade and other receivables	(5,479,742)	(6,193,187)
Increase/(decrease) in trade and other payables	(2,247,698)	880,515
Cash generated from operations	**30,514,563**	**71,610,458**
Income tax paid	(15,986,354)	(16,888,011)
Finance cost paid	(1,489)	-
Gratuity paid	(175,500)	(177,650)
Net cash generated from operating activities	**14,351,220**	**54,544,797**
Cash flows from / (used in) investing activities		
Acquisition of property, plant and equipment	(170,087)	(213,899)
Proceed from property, plant and equipment disposal	-	170,000
Investment in fixed Deposits	(100,000,000)	(100,000,000)
Interest received	14,456,322	10,848,781
Net cash used in investing activities	**(85,713,765)**	**(89,195,118)**
Net increase/ (decrease) in cash and cash equivalents	**(71,362,545)**	**(34,650,321)**
Cash and cash equivalents at the beginning of the year	87,074,638	121,724,959
Cash and cash equivalents at the end of the year (Note 17)	**15,712,093**	**87,074,638**

Figures in brackets indicate deductions.

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements.

1. CORPORATE INFORMATION

1.1 Domicile and legal form

Falcon Valley Hydro (Private) Limited ("the Company") is a Limited Liability Company incorporated and domiciled in Sri Lanka under Companies Act. No. 17 of 1982, pursuant to the requirement of new Companies Act. No. 07 of 2007 the Company was re-registered. The registered office of the Company is located at Level 04, Access Tower 1, Union Place, Colombo 02, Sri Lanka.

1.2 Principal activities and nature of operations

The principal activity of the Company is the generation and supply of hydroelectric power.

There were no significant changes in the nature of the principal activity of the Company during the financial year under review.

1.3 Number of employees

The number of employees of Falcon Valley Hydro (Private) Limited as of 31 March 2026 was 13 (2025: 13).

1.4 Parent entity and ultimate parent enterprise

Parent of Falcon Valley Hydro (Private) Limited is Blue Maven Asia Energy (Private) Limited, which is incorporated in Sri Lanka and the ultimate parent undertaking and controlling party is Khen Energy Limited (Former "Charisma Energy Services Limited), which is incorporated in Singapore.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

2.1.1 Basis of measurement

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.1.2 Comparative figures

Where necessary, comparative figures have been rearranged to conform with the current year's presentation.

2.1.3 Functional and presentation currency

All values presented in the financial statements are in Sri Lankan Rupees (LKR) unless otherwise indicated.

For the year ended 31 March 2026,

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis for measurement (Continued)

2.1.4 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 existing and anticipated effects of economic changes on the company and the appropriateness of the use of the going concern basis.

Having evaluated by the Board of Directors, and after due consideration of the range and likelihood of outcomes, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing and presenting the financial statements.

2.2 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income. In this case, the tax is also recognized in other comprehensive income. Management establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted at the reporting period end date and are expected to apply when the related deferred tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

A deferred tax asset is recognized only to the extent that it is probable that future profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized.

2.3 Property, plant and equipment

Property plant and equipment are stated at cost of purchase less accumulated depreciation and any impairment losses. The cost of an item of Property, plant and equipment comprise its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

The cost of self-constructed assets includes the costs of materials, direct labour, and any other costs directly attributable to bringing the asset to working condition of its intended use. This also includes costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent expenditure is capitalized only when it is possible that the future economic benefits embodied with the expenditure will flow to the Company and its cost can be measured reliably.

All other ongoing repairs and maintenance are expensed as incurred.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Depreciation

Depreciation is calculated by using the straight line method on the cost of all property plant and equipment in order to write off such amounts over the estimated useful economic life of such assets.

The estimated useful life of assets are as follows:

Asset	*Useful Lives*
Plant and machinery	20 years/ Over the project period
Civil constructions	20 years/ Over the project period
Site equipment	05 years
Furniture and fittings	04 years
Office equipment	03 years
Motor vehicles	03 years
Computer equipment	02 years
Tools and utensils	01 year

2.4 Impairment of non-financial assets other than inventories

At each end of reporting period, the Company reviews the carrying amounts of its property, plant and equipment and investment in subsidiaries to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company determines the cash-generating unit (CGUs) and estimates the recoverable amount of the CGUs to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

2.5 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is generally determined by reference to weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and locations. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less cost to sell; the impairment loss is recognized immediately in profit or loss.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.6 Trade receivables

Trade receivables are amounts due from customers for sale of goods and services rendered in the ordinary course of business. Collection is expected in the normal operating cycle of the business (within one year or less) and the receivables are classified as current assets. Trade receivables are recognized initially at fair value (invoice value) and subsequently measured at the original invoice value less provision for impairment as the dues are expected to receive in the normal operating cycle of the business.

The Company assesses at the end of each reporting period whether there is objective evidence that trade receivables are impaired. Objective evidence of impairment for trade receivables include the Company's past experience in collecting payments, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default payments. Trade receivables are impaired and impairment losses are incurred, only if there is objective evidence of impairment. Trade receivables which are significant in values are assessed individually and balances which are insignificant in values are assessed collectively for impairment.

2.7 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, term deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less net of bank overdraft.

2.8 Stated capital

Ordinary shares are classified as equity.

2.9 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due in the normal operating cycle of the business (within one year or less). If not, they are classified as non -current liabilities.

Trade payables are recognized initially at fair value (transaction price) and subsequently also measured at the transaction price as they are expected to pay in the normal operating cycle of the business and within short-term.

2.10 Borrowings

Borrowings are recognized initially at the transaction price including transaction costs. Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

2.11 Employee benefits

The Company has both defined benefit and defined contribution plans.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Employee benefits (Continued)

(a) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions. The contributions are recognized as employee benefit expense when they are due.

The Company contributes 12% on gross emoluments of employee to Employee Provident Fund (EPF) and 3% on gross emoluments of employee to Employee Trust Fund (ETF).

(b) Defined benefit plan

The Company's obligation in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is measured annually using the actuarial valuation method. The present value of the defined benefit obligation is determined by discounting the estimated future benefit that employees have earned in return for their services in the current and prior period.

Gains and losses arising from changes in the assumptions, current service cost and interest are recognized in the statement of comprehensive income in the period in which they arise. The retirement benefit obligation is not externally funded.

(c) Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted amount expected to be paid for related services provided by the employees.

2.12 Provisions and contingent liabilities

Provisions for legal claim and other operational expenses are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

All contingent liabilities are disclosed as a note to the financial statements unless the possibility of an outflow of resources is remote.

For the year ended 31 March 2026,

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue recognition

a) Revenue from services

Revenue from rendering of services is recognized in the accounting period in which the services are rendered or performed. The following specific criteria was used for the purpose of recognition of revenue.

Revenue from energy supplied is recognized, upon delivery of hydroelectric power from the plant and adjusted for transmission line losses monthly upon receiving the meter reading by National System Operator (Private) Limited (NSO) (Former "Ceylon Electricity Board") at the metering point. Delivery of hydroelectric power shall be completed when electrical energy meets the specifications as set out in the power purchase agreement is received at the meeting point.

As per the Standard Power Purchasing Agreement, the power plants are to be operated as a must run facility and tariff/ price is also governed by the same agreement.

Based on the power purchase agreement, article 5.2 billing states that the company is liable to receive interest from NSO if there are delayed payments, however, an amount cannot be recognized in the financials because the power purchase agreement does not provide a basis for calculating the interest amount.

(b) Others

Other income is recognized on an accrual basis

2.14 Expenses

All Expenditure incurred in the running of the operation has been charged to income in arriving at the profit for the reporting period.

2.15 Events after the reporting period

All material events after the reporting period have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.16 Commitments

All material commitments at the reporting period end have been identified and disclosed in the notes to the financial statements.

2.17 Statement of cash flows

The Statement of cash flows has been prepared using the indirect method. For cash flow purposes, cash and cash equivalents are presented net of bank overdrafts.

3 MATERIAL ACCOUNTING ESTIMATES AND JUDGMENTS

When preparing the financial statements, management undertakes number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

3.1 The following are significant judgments in applying the accounting policies that have most significant effect on the Financial Statements.

Recognition of deferred tax assets

The Extent to which deferred tax asset can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

3.2 Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

Useful lifetime of depreciable assets

The Company reviews its estimate of the useful lifetime of depreciable assets at each reporting date, based on the expected economic utility of the assets.

Defined benefit plan

The present value of the defined benefit plan obligations depends on number of factors that are determined on projected unit credit basis by using number of assumptions. The assumptions used in determining the net cost and obligation for defined benefit plan including the discount rate are disclosed in the notes to the financial statements. Any changes in these assumptions will impact the carrying amount of defined benefits obligation.

4 EFFECTIVE OF ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Institute of Charted Accountants of Sri Lanka has issued several new accounting standards and amendments/improvements to existing standards. These new standards are set to become effective in the coming years. Early application of these standards is allowed, but the Group has not early adopted any of the new or amended standards in the preparation of the financial statements.

4.1 SLFRS 18 Presentation and Disclosures in Financial Statements

SLFRS 18 will replace LKAS 1 Presentation of Financial Statements and is applicable for annual reporting periods beginning on or after 01 January 2027. The new accounting standard introduces the following key new requirements.

(a) Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities' net profit will not change.
(b) Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
(c) Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements.

For the year ended 31 March,	2026 LKR	2025 LKR
5 REVENUE		
Revenue from supply of electricity	64,954,327	110,834,670
	64,954,327	**110,834,670**
6 OTHER INCOME		
Profit on disposal of PPE	-	170,000
Sundry income	1,120	-
	1,120	**170,000**
7 ADMINISTRATIVE EXPENSES		
Administrative expenses	8,335,782	6,383,409
	8,335,782	**6,383,409**
8 NET FINANCE INCOME/ (EXPENSE)		
8.1 Finance income		
Interest income	14,456,322	10,848,781
Exchange gain/(loss)	-	5,751
Total finance income	**14,456,322**	**10,854,532**
8.2 Finance cost		
Overdraft Interest	(1,489)	-
Net finance income	**14,454,834**	**10,854,532**
9 PROFIT BEFORE TAXATION		
Is stated after charging all the expenses including the following:		
Staff cost **(Note 9.1)**	10,940,451	9,359,552
Insurance	2,748,222	2,723,345
Depreciation on property, plant and equipment	17,425,922	17,388,656
Auditors remunerations	257,700	85,500
9.1 Staff cost		
Salaries and wages	4,674,000	4,061,700
Other staff cost	5,565,351	4,688,597
Defined contribution plan cost - EPF and ETF	701,100	609,255
	10,940,451	**9,359,552**

For the year ended 31 March,

		2026 LKR	2025 LKR
10 INCOME TAX EXPENSE			
Current income tax expense for the year		12,571,298	19,236,680
(Over) / Under provision of previous years taxes		-	19
Deferred taxation charge **(Note 20)**		(1,998,489)	(1,995,975)
Income tax expense reported in the income statement		**10,572,809**	**17,240,724**

10.1 A reconciliation between current tax expense/income and the product of accounting profit

Accounting profit before tax		35,125,302	71,378,317
Aggregate disallowed expenses		20,958,149	19,829,027
Aggregate allowed expenses		(455,123)	(448,334)
Income from other sources		(14,456,322)	(10,848,781)
Statutory income from the business		**41,172,006**	**79,910,229**
Income from other sources			
Interest income		14,456,322	10,848,781
Total Statutory income		**55,628,328**	**90,759,010**
Tax on business income	20%	8,234,401	15,982,046
Tax on interest income	30%	4,336,897	3,254,634
Total tax expense		**12,571,298**	**19,236,680**

According to the agreement entered into with the Board of Investments, under Section 17 of BOI Law No. 4 of 1978, the Company will be liable for income tax at a concessionary rate of 20%. Standard rates were applied for the interest income.

11 EARNING PER SHARE

Basic earning 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.

	2026 LKR	2025 LKR
Total comprehensive profit for the year	24,275,669	54,220,576
Net profit attributable to equity holders for basic earning per share	**24,275,669**	**54,220,576**
Weighted average number of ordinary shares in issue **(No's)**	16,000,000	16,000,000
Basic earning per share **(LKR)**	**1.52**	**3.39**

FALCON VALLEY HYDRO (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
As at 31 March,

12 PROPERTY, PLANT AND EQUIPMENT

Cost

	Land	Civil construction	Plant and machinery	Site equipment	Furniture and fittings	Office equipment	Computer equipment	Motor Vehicles	Tools and equipment	Total
	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR	LKR
Balance as at 01 April 2024	**21,000,000**	**198,218,418**	**144,568,780**	**136,018**	**326,295**	**270,612**	**220,270**	**599,500**	**244,538**	**365,584,431**
Additions during the year	-	-	-	92,900	-	121,000	-	-	-	213,900
Disposals during the year	-	-	-	-	-	-	-	(300,000)	-	(300,000)
Balance as at 31 March 2025	**21,000,000**	**198,218,418**	**144,568,780**	**228,918**	**326,295**	**391,612**	**220,270**	**299,500**	**244,538**	**365,498,331**
Additions during the year	-	-	-	-	51,087	119,000	-	-	-	170,087
Disposals during the year	-	-	-	-	-	-	(20,000)	-	-	(20,000)
Balance as at 31 March 2026	**21,000,000**	**198,218,418**	**144,568,780**	**228,918**	**377,382**	**510,612**	**200,270**	**299,500**	**244,538**	**365,648,418**
Accumulated depreciation										
Balance as at 01 April 2024	**-**	**112,206,218**	**82,248,321**	**114,357**	**326,295**	**127,603**	**196,639**	**599,500**	**244,538**	**196,063,471**
Charge for the year	-	10,018,998	7,260,636	20.026	-	73,496	15,500	-	-	17,388,656
Disposals during the year	-	-	-	-	-	-	-	(300,000)	-	(300,000)
Balance as at 31 March 2025	**-**	**122,225,216**	**89,508,957**	**134,383**	**326,295**	**201,099**	**212,139**	**299,500**	**244,538**	**213,152,127**
Charge for the year	-	10,018,997	7,260,636	23.980	4,444	109,734	8,131	-	-	17,425,922
Disposals during the year	-	-	-	-	-	-	(20,000)	-	-	(20,000)
Balance as at 31 March 2026	**-**	**132,244,213**	**96,769,593**	**158,363**	**330,739**	**310,833**	**200,270**	**299,500**	**244,538**	**230,558,049**
Carrying amount as at 31 March 2026	**21,000,000**	**65,974,205**	**47,799,187**	**70,555**	**46,643**	**199,779**	**-**	**-**	**-**	**135,090,369**
Carrying amount as at 31 March 2025	**21,000,000**	**75,993,202**	**55,059,823**	**94,535**	**-**	**190,513**	**8,131**	**-**	**-**	**152,346,204**

Property, plant and equipment includes fully depreciated assets that are still in use having a gross carrying value of LKR 1,327,548/- (2025 - LKR 1,261,393/-)

As at 31 March,

	2026 LKR	2025 LKR
13 PREPAID LAND LEASE		
Balance at the beginning of the year	9,500,000	9,500,000
Additions during the period	-	-
Balance at the end of the year	**9,500,000**	**9,500,000**
Amortization		
Balance at the beginning of the year	7,200,385	6,748,005
Amortization of the year	452,380	452,380
Balance at the end of the year	**7,652,765**	**7,200,385**
Carrying amount at the end of the year	**1,847,235**	**2,299,615**
Within one year	452,380	452,380
After one year	1,394,855	1,847,235
Total	**1,847,235**	**2,299,615**
14 INVENTORIES		
Consumables and spare parts	10,282,924	9,693,873
15 TRADE AND OTHER RECEIVABLES		
Trade receivables- due from NSO	20,798,370	15,782,850
Other receivables	1,430	1,432
Interest income receivable	1,251,233	1,358,904
Advances and prepayments	5,698,194	5,126,299
	27,749,227	**22,269,485**
16 INVESTMENT ON FIXED DEPOSITS		
Fixed Deposit	200,000,000	100,000,000
	200,000,000	**100,000,000**
17 CASH AND CASH EQUIVALENTS		
17.1 Favorable balances		
Cash at bank	16,864,123	87,355,553
Cash in hand	30,000	30,000
	16,894,123	**87,385,553**
17.2 Unfavorable balances		
Bank overdraft	(1,182,030)	(310,915)
Cash and cash equivalent for the purpose of statement of cash flows	**15,712,093**	**87,074,638**

18 STATED CAPITAL

	No. of Shares		Carrying value	
	2026 No's	2025 No's	2026 LKR	2025 LKR
Blue Maven Asia Energy (Private) Limited	16,000,000	16,000,000	160,000,000	160,000,000

	2026 LKR	2025 LKR
19 RETIREMENT BENEFIT OBLIGATION		
Balance at the beginning of the year	1,361,951	1,343,141
Current service cost	125,659	132,296
Interest charged for the year	156,624	167,893
Benefits paid during the year	(175,500)	(177,650)
Actuarial loss/ (gain) on obligation	346,030	(103,729)
Balance at the end of the year	**1,814,764**	**1,361,951**

Messer's. Actuarial & Management Consultants (Pvt) Ltd carried out an actuarial valuation of the defined benefit plan gratuity as at 31 March 2026.

Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows.

Principle actuarial assumptions used,

	2026	2025
Rate of discounts	10.0%	11.5%
Salary increment rate	8.0%	8.0%
Retirement age	60 Years	60 Years
Staff turnover rate	10.0%	4.0%

Company will continue business as a going concern.

19 RETIREMENT BENEFIT OBLIGATION (CONTINUED)

In addition to the above, demographic assumptions such as mortality, withdrawal and disability, and retirement age were considered for the actuarial valuation. "A 1967/70 mortality table" issued by The Institute of Actuaries, London was used to estimate the gratuity liability of the Company.

Sensitivity of assumptions Employed in Actuarial

The following table demonstrates the sensitivity to a reasonable possible change in the key assumptions employed with all other variables held constant in the employment benefit liability assessment of the Company.

Increase/Decrease in discount rate	Increase/Decrease in salary increment	2026 LKR	2025 LKR
1% decrease		1,939,772	1,495,924
1% increase		(1,703,402)	(1,245,885)
	1% decrease	(1,692,914)	(1,506,370)
	1% increase	1,949,575	1,235,390

20 DEFERRED TAX LIABILITIES

	2026 LKR	2025 LKR
Balance at the beginning of the year	14,581,954	16,557,183
Recognized in comprehensive income	(1,998,489)	(1,995,975)
Recognized in other comprehensive income	(69,206)	20,746
Balance at the end of the year	**12,514,259**	**14,581,954**

Deferred tax is provided using the balance sheet liability method providing for temporary difference between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

Deferred tax liability is recognized on temporary differences as follows:

	2026		2025	
	Temporary difference LKR	Deferred tax LKR	Temporary difference LKR	Deferred tax LKR
On property, plant and equipment	64,386,058	12,877,212	74,271,721	14,854,344
On Retirement Benefit Obligation	(1,814,764)	(362,953)	(1,361,951)	(272,390)
Deferred tax liability	**62,571,294**	**12,514,259**	**72,909,770**	**14,581,954**

The company has used 20% for deferred tax computation (2025: 20%).

	2026 LKR	2025 LKR
21 TRADE AND OTHER PAYABLES		
Other payables	4,478	146,214
Accrued expenses	2,747,540	2,353,502
	2,752,018	**2,499,716**

22 TRANSACTIONS WITH RELATED PARTIES

Name of the related party	Relationship	Nature of the Transaction	2026 LKR	2025 LKR
Blue Maven Asia Energy (Pvt) Ltd	Parent	**Opening balance**	**2,500,000**	2,500,000
		Settlements	(2,500,000)	-
		Closing balance	**-**	**2,500,000**
WKV Hydro Technics (Pvt) Ltd	Affiliate	**Opening balance**	**-**	-
		Transfer of inventory	294,137	13,683
		Settlements	(294,137)	(13,683)
		Closing balance	**-**	-
Upcountry Power Supply International (Pvt) Ltd	Affiliate	**Opening balance**	**-**	-
		Transfer of inventory	76,953	-
		Settlements	(76,953)	-
		Closing balance	**-**	-

23 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL OF THE COMPANY

Key management personnel (KMPs) are those people having authority and responsibility for planning, directing, and controlling the activities of an entity, either directly or indirectly. Key Management Personnel includes members of the Board of directors of the Company.

	2026 LKR	2025 LKR
Directors emoluments for the period	Nil	Nil

There are no transactions carried out during the year by the Company with the Key Management Personnel.

24 EVENTS OCCURRING AFTER THE REPORTING DATE

There have been no other material events occurring after the reporting date that require adjustments to or disclosure in the financial statements.

25 LITIGATIONS AND CLAIMS

There are no pending litigations or claims against the Company as at the reporting date that require adjustments to or disclosure in the financial statements.

26 COMMITMENTS AND CONTINGENCIES

There are no commitment and contingencies as at the reporting date.

27 ASSETS PLEDGED

No assets have been pledged as a security for liabilities as at the reporting date.

28 DIRECTORS RESPONSIBILITIES

The Board of Directors of the company are responsible for the preparation and presentation of the financial statements.

29 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on 30 April 2026.

30 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Exposure to credit risk

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

	Carrying amount	
	2026 LKR	2025 LKR
Trade receivables	20,798,370	15,782,850
Other receivables	1,430	1,432
Interest Income Receivable	1,251,233	1,358,904
Balances with banks	215,682,093	187,044,638
Total	**237,733,126**	**204,187,824**

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Trade and other receivables

The Company is selling the electricity to the transmission licensee, National System Operator (Private) Limited (NSO). The customer regardless of its financial position is a state entity and has maintained a credit record throughout the year.

The aging of trade receivables at the reporting date was as follows;

	2026		2025	
	Gross Balance	Impairment	Gross Balance	Impairment
	LKR	LKR	LKR	LKR
Past due 0-30 days	3,518,169	-	9,052,737	-
Past due 31-60 days	17,280,201	-	6,730,113	-
Past due 61-90 days	-	-	-	-
More than 90 days	-	-	-	-
	20,798,370	**-**	**15,782,850**	**-**

Cash and cash equivalents

The Company held bank balances of 15,712,093/- as at 31 March 2026 (31 March 2025 LKR 87,074,638) which represent its maximum credit exposure on these assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The following are the contractual maturities of financial liabilities:

	2026			2025		
	Carrying amount	0-12 Months	More than 1 year	Carrying amount	0-12 Months	More than 1 year
	LKR	LKR	LKR	LKR	LKR	LKR
Financial liabilities (non derivatives)						
Trade and other payable	-	-	-	-	-	-
Bank overdraft	1,182,030	1,182,030	-	310,915	310,915	-
	1,182,030	**1,182,030**	**-**	**310,915**	**310,915**	**-**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity price will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

Company is facing exchange risk as it involves in importing spare parts for its operational activities.

30 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Interest rate risk

At the reporting date, the Company's interest-bearing financial instruments were as follows:

	Carrying amount	
	2026	2025
Variable rate instruments	**LKR**	**LKR**
Financial liabilities		
Bank overdrafts	1,182,030	310,915
	1,182,030	**310,915**

Sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the profit before tax.

	Change in profit/ loss	
	2026	2025
	LKR	LKR
Variable rate instruments (1% decrease)	11,820	3,109
Variable rate instruments (1% increase)	(11,820)	(3,109)

(c) Commodity price risk

The Company is principally engaged in generating electricity using renewable energy sources. The project companies would pay pre-agreed unit prices for the use of the river flow to the respective government institutions, thus the impact of commodity prices would have immaterial impact on the earnings of the Company.

(iv) Capital management

Capital includes equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the period and the Company is not subject to externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is Interest - Bearing Loans and Borrowings divided by total Equity plus Interest bearing loans and borrowings.

	2026	2025
	LKR	LKR
Interest bearing loans and borrowings	-	-
Equity	369,958,053	345,682,384
Equity and Interest bearing loans and borrowings	369,958,053	345,682,384
Gearing Ratio	**Nil**	**Nil**

As at 31 March,

31 FAIR VALUE DISCLOSURE

Fair value of financial assets and liabilities

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

Level I : Quoted market price (unadjusted) in an active market for an identical instrument.

Level II : Valuation techniques based on observable inputs, either directly – i e. as prices or indirectly – I derived from prices. This category includes instruments valued using: quoted market prices in active market for similar instruments, quoted price for identical or similar instruments in market that are considered less than active; or other valuation techniques where all significant input are directly or indirectly observable from market data.

Level III : Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable input have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted price for similar instrument where significant unobservable adjustment or assumption are required to reflect differences between the instrument.

Fair value vs the carrying amount

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

As at 31 March,		2026		2025	
		Carrying amount LKR	Fair value LKR	Carrying amount LKR	Fair value LKR
Assets					
Trade and other receivables	A	27,749,227	27,749,227	22,269,485	22,269,485
Cash and cash equivalents	A	16,894,123	16,894,123	87,385,553	87,385,553
		44,643,350	**44,643,350**	**109,655,038**	**109,655,038**
Liabilities					
Trade and other payables	A	2,752,018	2,752,018	2,499,716	2,499,716
Bank overdraft	A	1,182,030	1,182,030	310,915	310,915
		3,934,048	**3,934,048**	**2,810,631**	**2,810,631**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following method and assumption were used to estimate the fair values.

There are no transactions carried out during the year by the Company with the Key Management Personnel.

A Cash at Bank and in Hand, Trade & Other Receivables and Trade & Other Payables approximate their carrying amounts due to the short term maturities of these instruments.