FALCON VALLEY HYDRO (PRIVATE) LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2026

KPMG
(Chartered Accountants)
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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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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.

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.

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**

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	2025
		LKR	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	2025
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**

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.