


**RESUS ENERGY PLC**
ANNUAL REPORT 2024/25

RESUS ENERGY

# STILLNESS IN MOTION

At Resus Energy, we believe in the quiet power of change. As a pioneering force in solar and hydro power solutions, we embody the principle of “Stillness in Motion”—a dynamic yet serene approach to driving sustainable energy innovation. Our commitment to providing clean, renewable energy is not just a business goal; it is a movement that fuels progress, fosters environmental stewardship, and supports the well-being of our communities.

In a world where the demand for energy is growing at an unprecedented pace, the need for sustainable solutions has never been more urgent. Resus Energy rises to this challenge with unwavering dedication. Our journey has been one of continuous motion. Yet, at the heart of our efforts lies a deep sense of stillness-a mindfulness that guides every decision. It is through this balance of motion and stillness that we create energy solutions that are not only efficient but also responsible and enduring.

As we look toward the future, we remain steadfast in our commitment to developing sustainable energy solutions that meet the needs of tomorrow while preserving the planet for future generations. In the stillness of our dedication to environmental integrity, we are moving forward with purpose and passion—one innovative step at a time.

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## CHAIRMAN'S MESSAGE

**OUR GENERATION FOR THE YEAR WAS 62.3 GWH AND WE RECORDED A TURNOVER OF APPROXIMATELY LKR 1.2 BILLION REFLECTING A 11% INCREASE OVER THE PREVIOUS YEAR.**



## MANAGING DIRECTOR'S REVIEW

**OVER THE LAST NINE YEARS, OUR PORTFOLIO GREW FOUR-FOLD. AS OF NOW OUR PORTFOLIO STANDS AT APPROXIMATELY 30MW, WITH EIGHT SMALL HYDROPOWER STATIONS CARRYING 16MW AND THREE SOLAR PV STATIONS CARRYING 14MW.**


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# INTRODUCTION TO OUR ANNUAL REPORT

## SCOPE AND BOUNDARY

This report presents a comprehensive overview of the business operations of Resus Energy PLC and its Sri Lankan subsidiaries for the fiscal year ending March 31, 2025, with comparative figures for the preceding year ending March 31, 2024. In preparing this report, we have applied the principle of materiality to focus on the most significant economic, environmental, and social issues that are relevant to both our internal and external stakeholders across short, medium, and long-term horizons. This materiality-driven approach is fundamental to enhancing our performance, strengthening our sustainability framework, and reinforcing the Group's commitment to sound corporate governance throughout the organization.

We confirm that there have been no changes in the reporting scope, accounting policies, or boundaries compared to the prior year. Furthermore, non-financial disclosures from the previous year remain consistent unless otherwise specified.

## INTRODUCTION ABOUT THE COMPANY

Resus Energy PLC stands at the forefront of Sri Lanka's renewable energy sector, playing a pivotal role in advancing the country's shift towards a sustainable energy future. With a diverse and robust portfolio that includes both hydro and solar power projects, we are dedicated to fostering innovation, championing sustainability, and enhancing the nation's energy independence.

At Resus Energy PLC, sustainability is deeply embedded in our corporate




ethos. We fully acknowledge the critical importance of reducing carbon emissions and addressing the challenges posed by climate change. Our unwavering commitment is to responsibly harness renewable energy resources, ensuring that Sri Lanka's growing energy demands are met in an environmentally conscious and sustainable manner.

## RENEWABLE ENERGY PROJECTS AND FUTURE OUTLOOK

Our hydro power initiatives capitalize on the natural flow of water to produce

## NAVIGATING THE REPORT

| Economic | | Social | | | Environmental |
|---|---|---|---|---|---|
| Financial Capital | Manufactured Capital | Social and Relationship Capital | Human Capital | Intellectual Capital | Environmental Capital |

**Feedback**

We welcome your comments and inquiries on this report. Please contact:

**Manohara S. Tillakawardana**
Chief Financial Officer
Resus Energy PLC
250/1, Torrington Avenue,
Colombo 7, Sri Lanka.
Email : manohara@resusenergy.lk

clean, dependable electricity. By utilizing Sri Lanka's abundant water resources, we deliver sustainable energy solutions that minimize environmental impact. Through ongoing optimization of our hydroelectric facilities, Resus Energy PLC proudly contributes to the nation's transition towards a clean energy future.

In addition to hydro power, we are leaders in solar energy innovation within Sri Lanka. Our advanced solar installations harness the plentiful sunlight that bathes the island, reducing dependence on fossil fuels and promoting a greener, more sustainable future.

Looking ahead, Resus Energy PLC is well positioned for continued growth and expansion. We are actively exploring new opportunities to develop renewable energy projects throughout Sri Lanka, with a focus on driving innovation and supporting the country's economic and environmental sustainability.

Central to our mission is a strong commitment to the wellbeing of both people and the planet. We engage closely with local communities and stakeholders to ensure our projects generate shared benefits. Furthermore, we are dedicated to environmental stewardship, championing efforts to lower greenhouse gas emissions and safeguard natural resources for future generations.



## ABOUT US

# VISION

Resus Energy strives to build a commercially sustainable and an energetic World-class organization that cares for "people and the planet" in meeting electricity needs of the people.

# MISSION

We generate electricity using renewable energy sources. In doing so, we create an organization that is: commercially sustainable and provides superior value to our shareholders; a challenging and fulfilling work environment to our employees; caring for stakeholders and our natural environment.

# CORE VALUES

**Creativity**
**Integrity**
**Concern for People and Planet**
**Obsession for Performance**
**Sense of Urgency**

# OUR JOURNEY

**2003/04**

**JUNE**

Incorporated Hemas Power (Pvt) Ltd as a fully owned subsidiary of Hemas Holdings PLC

**2004/05**

**SEPTEMBER**

Commissioned Heladhanavi Limited, the first power project. It is a thermal power plant with capacity of 100 MW and was a joint venture between Hemas Power (Pvt) Ltd and Lakdhanavi Limited

**2008/09**

**OCTOBER**

Commissioned the first hydro Power project, Giddawa Hydro Power (Pvt) Ltd with a capacity of 2.0 MW in Digana, Theldeniya

**2009/10**

**SEPTEMBER**

Raised **Rs. 626 Mn** by way of an Initial Public offering and listed on the Main Board of the Colombo Stock Exchange as 'Hemas Power PLC.'

**DECEMBER**

Acquired Upper Agra Hydro Power (Pvt) Ltd, an operational hydro power plant with capacity of **2.6MW** located in Lindula, Thalawakelle

**2011/12**

**APRIL**

Secured permits for hydropower projects in Bundibugyo, Uganda with an aggregate capacity of 10MW under Butama Hydro Electricity Company Limited, a fully owned subsidiary of Hemas Power PLC incorporated in Uganda

**DECEMBER**

Commissioned 2.4MW Upper Magalganga mini hydropower project in Maliboda, Deraniyagala

**2014/15**

**OCTOBER**

Sold joint venture stake in Heladhanavi Limited to Lakdhanavi Limited and became 100% renewable energy company

**DECEMBER**

Sold entirety of shares of Butama Hydro Electricity Company Ltd. Hemas Holding PLC sold 75% of ownership stake in Hemas Power PLC to a consortium comprising NDB Capital Holdings Limited, ACL Cables PLC and Trydan Partners (Pvt) Ltd. Changed the name of the company to "Resus Energy PLC".

**2015/16**

**SEPTEMBER**

Carried out a capital reduction and a share repurchase distributing Rs. 1.6Bn to its share-holders. Raised Rs. 1.08Bn bank loans for Group capital restructuring.

**2016/17**

**AUGUST**

Commissioned 1.4 MW Gomale Oya hydropower project in Imewatte, Magala, Deraniyagala

**OCTOBER**

Sold 15% ownership stake of Associate company Pan Asian Power PLC

**MARCH**

Commissioned 1.5MW Moragaha Oya hydropower project in Panwila, Kandy

**2017/18**

**APRIL**

Acquired J.B Power (Pvt) Ltd with right to develop a 0.7MW Ranwala Oya hydropower project in Maliboda, Deraniyagala

**FEBRUARY**

Obtained right to develop two solar projects of 1MW each in the Ampara District under the 60MW PV Power Plants of the 1 X 60MW "Soorya Bala Sangramaya- Phase Two" tender.

**2018/19**

**APRIL**

Acquired Sierra Power (Pvt) Ltd with right to develop a 2.4MW hydropower project in Karapalagama, Nuwara Eliya District

**NOVEMBER**

Commissioned Ranawala Oya hydropower project in Maliboda, Deraniyagala

**MARCH**

Resus Energy PLC merged with its wholly owned subsidiaries Giddawa Hydropower (Pvt) ltd, Okanda Power Grid (Pvt) Ltd and Upper Agra Oya Hydro Power (Pvt) Ltd. Signed SPPA's for two solar power projects of 1MW each in Ampara district under 1 X 60MW 'Soorya Bala Sangramaya-Phase Two"tender



## 2019/20

**APRIL**

Obtained right to build twelve solar power projects of 1MW each in the Ampara and Mahiyanganaya districts the 1 X 60MW 'Soorya Bala Sangramaya- Phase 2 tender

**JULY**

Commissioned 1.9 MW Upper Huluganga Hydropower plant in, Huluganga. Panwila, Kandy

**SEPTEMBER**

Secured a study permit for a hydropower project in Uganda

## 2020/21

**SEPTEMBER**

Commissioned 1MW Solar PV plant in Siyambalanduwa, Monaragala district, being the first operational solar plant under Resus Energy PLC

**NOVEMBER**

Commissioned 1MW Solar plant in Siyambalanduwa, Monaragala district, being the second operational solar plant under Resus Energy PLC

**FEBRUARY**

Obtained rights to build 2 solar power projects of 10MW each in the Ampara and Mahiyanganaya areas under 150MW solar PV tender.

**MAY**

Partly Commissioned 1MW of 2.4MW hydropower plant in Karapalagama under phase 01

## 2021/22

**JANUARY**

Commissioned balance 1.4MW of hydropower plant in Karapalagama under its final phase

**MARCH**

Resus Energy PLC issued debenture for 611.35 Mn with maturities spanning from 03 to 05 years for group debt restructuring

## 2022/23

**APRIL**

Commissioned 6MW Solar PV Power Plant in Mahiyanganaya under 1X 90MW PV Soorya Bala Sangramaya – Phase 2 tender

## 2023/24

**SEPTEMBER**

Commissioned 1MW Solar PV Power Plant in Siyambalanduwa under 1X 90MW PV Soorya Bala Sangramaya - Phase 2 tender

## 2024/25

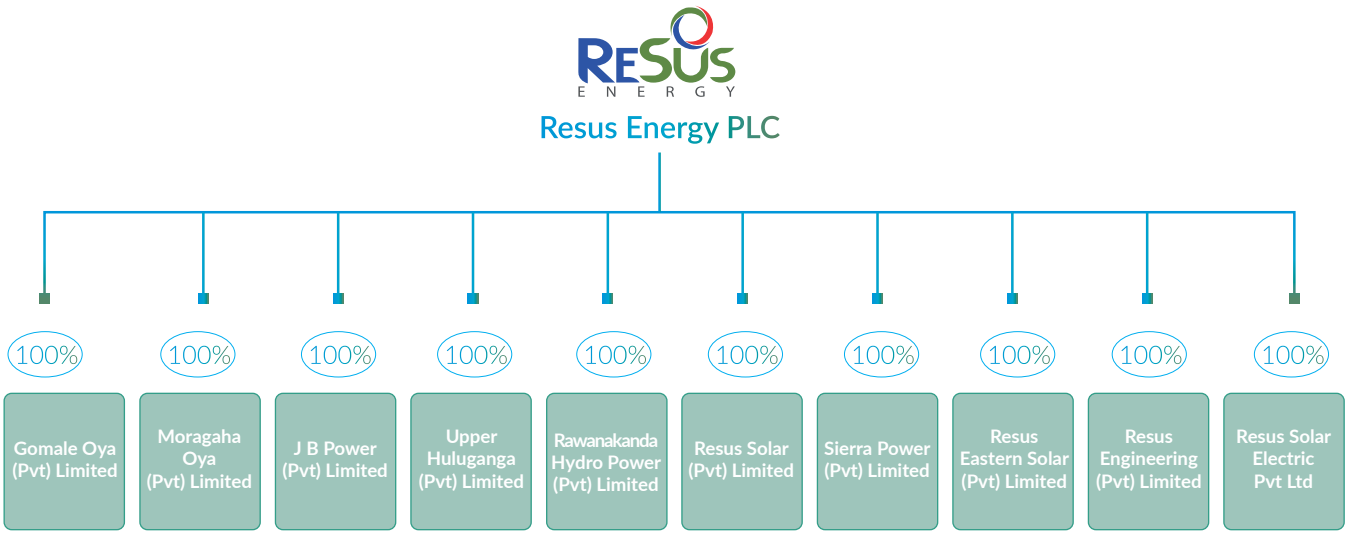
**MARCH**

Commissioned 5MW PV Solar Power Plant in Ampara under 90MW Solar power project of Soorya Bala Sangramaya – Phase 2.



# OUR ORGANISATIONAL STRUCTURE

Resus Energy PLC is a limited liability company listed on the Colombo Stock Exchange. The company and its subsidiaries are incorporated and domiciled in Sri Lanka.




**"During the year, the Group was able to integrate 5MW Solar power project to the national grid based in Ampara under 1*90 sooryabala sangramaya phase II"**



# DELIVERY OF VALUE

Hydropower Sector Revenue
**Rs. 829.0 Mn**

Solarpower Sector Revenue
**Rs. 279.6 Mn**

Engineering Sector Revenue
**Rs. 132.7 Mn**

Community Engagements
**66**

Operating Profit
**Rs. 759.9 Mn**

**Total Capital Deployed in Renewable Energy Sector**
**Rs. 6.6 Bn**

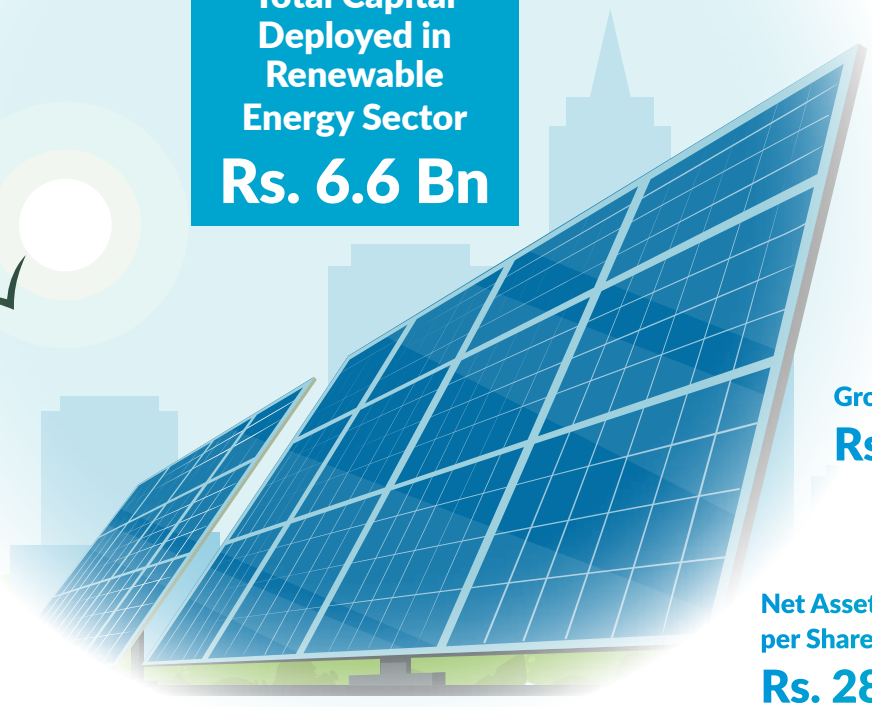
Water Recycled
**387,259,668m$^3$**

Total Training Hours
**417**

Taxes paid to Government
**Rs. 57.3 Mn**

Investments in Community Development
**Rs. 0.8 Mn**

Group PAT
**Rs. 214.9 Mn**



Reduction in Greenhouse Gas Emission
**44,392 $tCO_2$**

Net Assets Value per Share
**Rs. 28.69**

Electricity Generation from Fully-owned Solarpower Plants
**15.6 GWh**

Electricity Generation from Fully-owned Hydropower Plants
**46.7 GWh**

# FINANCIAL HIGHLIGHTS

| Year Ended 31st March | 2024/25 | 2023/24 | Change | 2022/23 |
|---|---|---|---|---|
| | Rs. | Rs. | | Rs. |
| **RESULTS FOR THE YEAR** | | | | |
| Group Revenue | **1,241,317,605** | 1,119,149,899 | 11% | 995,785,462 |
| Results from Operating Activities | **759,934,766** | 800,515,051 | -5% | 762,212,048 |
| Net Finance Cost | **(390,365,473)** | (535,587,207) | -27% | (571,554,962) |
| Profit/(Loss) before Tax | **369,569,293** | 264,927,844 | 39% | 190,657,086 |
| Profit/(Loss) for the year | **214,970,555** | 373,882,505 | -43% | 413,268,744 |
| Profit/(Loss) attributable to Equity Holders of the Parent | **214,970,555** | 373,882,505 | -43% | 413,268,744 |
| Dividends | **(86,184,827)** | (107,731,034) | -20% | (237,058,754) |
| | | | | |
| **FINANCIAL POSITION HIGHLIGHTS** | | | | |
| Equity Attributable to Equity Holders of the Parent | **2,472,341,950** | 2,345,638,625 | 5% | 2,081,140,772 |
| Total Assets | **6,623,906,405** | 6,222,155,671 | 6% | 6,267,904,840 |
| Total Debt | **3,597,398,740** | 3,456,662,985 | 4% | 3,888,488,524 |
| No of Ordinary Shares | **86,184,827** | 86,184,827 | 0% | 86,184,827 |
| Gearing (%) | **59.27%** | 59.60% | -1% | 65.1% |
| | | | | |
| **SHAREHOLDER INFORMATION** | | | | |
| Earnings/(Loss) per Share | **2.49** | 4.34 | -43% | 4.80 |
| Return on Equity | **8.92%** | 16.89% | -47% | 9.16% |
| Net Assets per Share | **28.69** | 27.22 | 5% | 24.15 |
| Interest Cover | **1.95** | 1.49 | 31% | 1.33 |
| Dividend per Share | **1.00** | 1.25 | -20% | 3.00 |
| Dividends Payout | **40.1%** | 28.81% | 39% | 62.60% |
| Dividend Cover | **2.49** | 3.47 | -28% | 1.60 |
| Market Price as at 31 st March | **26.50** | 17.60 | 51% | 13.50 |
| Market Capitalisation | **2,283,897,916** | 1,516,852,955 | 51% | 1,163,495,165 |

# NON- FINANCIAL HIGHLIGHTS

| Indicator | | 2024/25 | 2023/24 |
|---|---|---|---|
| **FINANCIAL CAPITAL** | | | |
| 201-1 | Economic value added (Rs. Million) | **1,177.48** | 1,038.36 |
| **ENVIRONMENTAL CAPITAL** | | | |
| 302-1 | Energy consumption (GJ) | **509.68** | 450.03 |
| 303-1 | Total water withdrawal (m3) | **387,261,047** | 378,438,249 |
| 305-1 | Direct greenhouse gas emissions-Scope1 (t-$CO_2$) | **33.53** | 29.35 |
| 305-2 | Energy indirect greenhouse gas emissions-Scope2(t-$CO_2$) | **61.6** | 87.4 |
| 305-3 | Other indirect greenhouse gas emissions-Scope 3(t-$CO_2$) | **2.4** | 4.2 |
| 306-1 | Water discharge (m3) | **387,259,668** | 378,435,006 |
| 307-1 | Environmental fines and non-compliance | **Nil** | Nil |
| **HUMAN CAPITAL** | | | |
| | Total workforce | **108** | 112 |
| 403-2 | Number of injuries | **Nil** | Nil |
| | Lost days | **Nil** | Nil |
| 404-1 | Average training hours per employee | **3.82** | 1.69 |
| 406-1 | Incidences of discrimination | **Nil** | Nil |
| 407-1 | Incidences of child labour | **Nil** | Nil |
| 409-1 | Incidences of forced labour during the year | **Nil** | Nil |
| **SOCIAL AND RELATIONSHIP CAPITAL** | | | |
| 413-1 | Community engagement | **66** | 73 |
| 416-1 | Incidences of non-compliance concerning health and safety impacts of services | **Nil** | Nil |
| | Nil | **Nil** | Nil |
| 419-1 | Incidences of non-compliance with laws and regulations | **Nil** | Nil |

# CHAIRMAN'S MESSAGE



"Our generation for the year was 62.3 GWh and we recorded a turnover of approximately LKR 1.2 billion reflecting a 11% increase over the previous year."

**Dear Shareholders,**

Welcome to the twenty second Annual General Meeting of Resus Energy PLC. I am happy to present to you our tenth Integrated Annual Report and the Audited Financial Statements for the year ended 31st March 2025. The consistent performance of our power plants contributed to another year of excellent operational results.

Our generation for the year was 62.3 GWh and we recorded a turnover of approximately LKR 1.2 billion reflecting a 11% increase over the previous year. That translated into Rs. 370 million Profit before Tax (PBT) at 39% YoY growth. PBT increase was aided by increased other income and reduced finance costs. However, our Net Profit After Tax declined 43% YoY to LKR 215 million, primarily due to a deferred tax charge-out from our deferred tax asset.

Although we were on a consolidation strategy resulting from CEB defaulting on timely payments leading to low liquidity, we have now reverted to a growth path. However, our expansion plans will feature our aspiration to geographically diversify investments to limit our overdependency on one public utility. Therefore, while we would participate in new government tenders and Feed-in Tariff projects, we would do so cautiously.

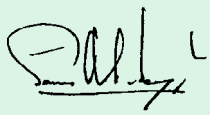
In these lines, we developed and commissioned the 5MW solar project in Ampara, which was held back on force majeure. With our improved liquidity, reduction in market interest rates and solar panel prices backed by stability in exchange rates, makes this project viable. With that, our aggregate installed capacity now stands at 30MW.

In line with our priority to maximize returns to our shareholders, assisted by the improved financial liquidity, we paid a cash dividend of Rs. 86,184,827 during the year.

**Although we were on a consolidation strategy resulting from CEB defaulting on timely payments leading to low liquidity, we have now reverted to a growth path.**

Looking ahead, with a strategic focus on talent, innovation, and operational excellence, I am confident that Resus will continue to utilize its resources efficiently to drive sustainable growth and create excellent long-term value to our stakeholders.

I therefore take this opportunity to extend my appreciation to our team for their contribution in achieving this success as well as my colleagues on the Board for steering the Company and guiding them at a high level. I thank all of you, our valued shareholders, for the continued trust and confidence placed in us.



**Suren Madanayake**
Chairman

Colombo, Sri Lanka
31st July 2025

# MANAGING DIRECTOR'S REVIEW



"Over the last nine years, our portfolio grew four-fold. As of now our portfolio stands at approximately 30MW, with eight small hydropower stations carrying 16MW and three solar PV stations carrying 14MW."

Driven by strong operational results, finance cost reduction and improved liquidity, the Resus Energy Group concluded the financial year 2024/25 on another high note. Both our hydropower plants and solar power stations performed well. That in turn enabled us to record highest Profit Before Tax since transitioning to a fully renewable energy company in 2014/15.

The improvements in the macroeconomic conditions, especially the stability of LKR against the US Dollar and the reduction in prices of solar PV panels also enabled us to come out of the force majeure state and develop our Ampara 5MW solar project. This plant was commissioned in March 2025. With that the Resus Energy Group now operates 30MW power plants in eleven locations.

In the new financial year, Resus launched the country's first Green Bond by a non-banking & finance company and raised Rs. 1 billion to support our new renewable energy projects and refinance some existing loans. Both solar PV and small hydropower will take center stage in our medium-term expansion plans backed by meaningful geographical diversification in managing investment exposure.

## OPERATIONAL AND FINANCIAL PERFORMANCES

### Weather and its impact

The southwest monsoon rain arrived later than usual this time. But it caught up in subsequent months thus positively impacting overall hydropower generation. Whilst most of our hydropower stations exceeded their annual generation targets, the high levels of solar irradiance prevailed in our solar power stations, in spite of being cloudy and a good rainfall year led to good operational output from our solar plants too.

### Electricity Generation

Annual generation for the financial year 2024/25 was 62.3 GWh. This is 4% greater than 59.7 GWh recorded in the year before. Mahiyanganaya Solar PV station with 10.6 GWh (115% YoY) recorded the highest generation for a single location. The Giddawa plant, that generated 8.9 GWh (110 % YoY) at 51% plant-utilization-level, recorded the highest generation amongst hydropower plants. At the same time, the generator failure at the Gomale Oya plant put off its operations for about three months, reducing its annual generation substantially. The generation details are as follows::

| Power Station | kWh | Plant Factor | % of Last Year |
|---|---|---|---|
| Giddawa SHP | 8,979,182 | 51.3% | 110% |
| Agra Oya SHP | 7,509,988 | 33.0% | 91% |
| Upper Magalganga SHP | 6,938,073 | 33.0% | 102% |
| Gomale Oya SHP | 1,764,907 | 14.4% | 64% |
| Moragaha Oya SHP | 5,586,166 | 42.5% | 109% |
| Upper Hulugaga SHP | 5,473,138 | 31.2% | 105% |
| Ranwala Oya SHP | 3,480,278 | 33.1% | 97% |
| Karapalagama SHP | 6,957,160 | 39.7% | 106% |
| Siyambalanduwa Solar | 3,202,580 | 18.3% | 100% |
| Mahiyanganaya Solar | 10,559,641 | 20.1% | 115% |
| Siyambalanduwa Solar (1MW) | 1,829,210 | 20.9% | 204% |
| Damana | 41,400 | 19.2% | 100% |

### Financial results

Despite the Gomale Oya generation loss and the tariff reduction from Rs.18.85/kWh to Rs.9.27/kWh as it transitioned to the second tariff tier in August 2024, higher overall generation from our other power stations boosted our revenues for the year. This was further assisted by the revenues from Resus Engineering. However, additions to the operational costs stemming from new installations and/or reflection of full-year operations of those that operated partially the year before, the increase in revenues last year was not sufficient to fully absorb the increase in operational costs. Therefore, our Operating Profit declined 5% YoY from Rs. 801 million to Rs. 760 million. But with a 28% finance cost reduction from the decline in interest rates and timely invoice settlements, together with an increase in other income, our Profit Before Tax increased 39% YoY to Rs. 370 million from Rs. 265 million. Nevertheless, the deferred tax charge out from the deferred tax assets created in the previous year, brought our Net Profit After Tax down 43% YoY from Rs. 374 million to Rs. 215 million.

On the other hand, despite channeling over Rs.750 million for the 5MW Ampara project, our total loan exposure increased only marginally from Rs. 3.456 billion to Rs. 3.597 billion. As a result, our gearing ratio dropped to 59% from 60%. However, since this project was mainly developed with internally generated funds keeping a low gearing level, the impact of its low gearing on the overall group's gearing will be reflective only with the increase in its retained earnings in the coming years. At the same time, as an investment company engaging in development activities, sustaining a balanced capital structure with a reasonable level of gearing while maintaining an acceptable level of liquidity is essential to ensure efficient capital deployment and maximize earnings.

# MANAGING DIRECTOR'S REVIEW

## ECONOMIC AND THE SECTOR OUTLOOK

### Economic Challenges

Notwithstanding the political regime change, Sri Lanka is seemingly committed to macroeconomic stabilization through the implementation of IMF-supported reforms agenda. The completion of international sovereign bond restructuring and the receipt of the third tranche of IMF funding under the Extended Fund Facility significantly contributed to restoring macroeconomic stability and laying the groundwork for sustainable economic recovery. Sri Lanka recorded a 5% GDP growth in CY2024.

During the year, Fitch Ratings upgraded the country's long-term foreign currency default rating to 'CCC+', officially marking Sri Lanka's exit from default status for the first time since 2022. This development is likely to restore investor confidence that may eventually improve the economic outlook. The broader macroeconomic environment improved steadily, supported by declining interest rates and low inflation. These factors contributed to a more stable economic environment. At the same time the sluggish state of our key export markets and the war in the middle east are a serious concern for our balance of payment scenario although the tourism income and inward remittances are sustained at satisfactory levels. Further, if this turns out to be an El-Nino year as predicted by some, that will affect our produce outputs and the costs of electricity generation.

### Sector Outlook

In spite of implementation challenges, favorable government policies over the last two decades accelerated renewable energy development in Sri Lanka. As of December 2024, the country's installed renewable energy capacity was 3,845MW. This is 65% against the total installed capacity of 5,908 MW. At 9,175 GWh, this translated into a 54% of the total electricity generation. At the same time, substantially aided by 590MW solar rooftops, the addition from Non-conventional Renewable Energy (NCRE) to the national grid in 2024 was astounding 627MW. Accordingly, NCRE capacity as of December 2024 was 2,314MW. That was 39% against the total installed capacity. Whereas at 3,749 GWh, NCRE represented 22% of the total generation for 2024. Rooftop solar, at 1400MW (24%) is now the largest NCRE segment in the country. It is followed by 432MW (7%) small hydropower, 263MW (5%) wind, 163MW (3%) ground-mounted solar and 44MW (1%) biomass. Accelerating Sri Lanka's clean energy transition requires not just ambitious policy but also decisive execution, coordinated stakeholder effort, credibility of the utility and that of the regulator, and sustained infrastructure development to bridge the gap between policy intent and the ground-level progress.

The improved financial health of the Ceylon Electricity Board (CEB) since the introduction of cost-reflective consumer tariffs, made it financially liquid and independent once again. That also enabled settlement of long outstandings to the renewable energy sector, which peaked at a staggering 15-months delay. These developments are conducive for the sector in attracting new investments.

### Government Policy and ground reality

The reforms proposed in the new Electricity Act 2024 in general were well received by industry and the public. The Act outlines several transformative actions aimed at modernizing Sri Lanka's power sector and proposes to unbundle CEB to separate entities for generation, transmission, and distribution to enhance transparency and productivity. It calls to establish a permanent National Electricity Advisory Council to provide strategic policy direction, and empowerment of the Public Utilities Commission of Sri Lanka with greater autonomy to ensure regulatory accountability. In addition, the Act promotes a transition to a market-based energy framework to attract private investment, accelerating renewable energy adoption, and reducing fiscal pressure from subsidies and public debt. These collectively help the implementation of the country's energy policy especially to deal with energy security, saving forex and economic benefits and to fulfill our sustainability pledges.

However, the new regime's proposed changes to the Act, which according to some arguments, would effectively create multiple CEB's as opposed to the envisaged unbundling, is alarming. CEB now operates as a commercial monopoly contravening cardinal rules of good governance. Views expressed in a joint letter by the World Bank, ADB and JAICA raised similar concerns. On the other hand, the effectiveness of reforms, whichever they turn out to be, will largely be dependent on inclusivity and benefits they translate to the stakeholders, including the consumers.

Notwithstanding some progressive policy directions over the years, the ground realities present a more complex landscape. Sub-optimal behavior by the public sector and political offices is regularly encountered. Sri Lanka's dependency on coal and thermal oil continues to expose the country to global fuel price volatility and exchange rate risks, affecting affordability and long-term energy security. On the other hand, CEB's failure to establish crucial infrastructure to integrate renewable energy, especially the substantial influx of rooftop solar, is suboptimal and counterproductive to achieving these goals. CEB also forcefully shuts renewable energy plants down in

low demand periods to manage the grid stability inflicting significant financial damage to them.

This shows CEB's poor planning and implementation as these outages could have been averted if the pump-storage plant enlisted in their own Longterm Generation and Expansion Plan from ten years ago was built. Now the Battery Energy Storage Systems (BESS) with a far lower lifecycle and thus with a higher lifecycle cost are looked at. It would still take a year or two for a BESS to be commissioned. At the same time, it is extremely disturbing to see CEB's interest in procuring more LNG plants which for all practical reasons run on Heavy Fuel Oil. Besides, LNG is still an imported commodity and drains out forex as opposed to generating electricity using indigenous sources. LNG also has a considerable carbon footprint and work against our decarbonization aspirations and commitments.

## STRATEGIC OUTLOOK OF THE COMPANY

### Growth and Operations

Over the last nine years, our portfolio grew four-fold. As of now our portfolio stands at approximately 30MW, with eight small hydropower stations carrying 16MW and three solar PV stations carrying 14MW. This is a near-perfect balance. Our estimated annual energy production is 75GWh.

Further 2MW and 1MW solar PV projects are earmarked for development in Ampara and Pallekele in the coming year. These new additions are expected to contribute approximately 5.0 GWh to our annual energy production. In addition, we are hopeful of breaking ground in our first international project in East Africa this year. While we intend to look for and participate in new and emerging opportunities in Sri Lanka which remain our key development hub for now, our effort to invest overseas relates to derisking our overdependency on one market.

Although our past growth has primarily been in the small hydropower sector, our more recent investments in the solar PV segment enabled vital segmental diversification. Solar generation provides more consistent output compared to hydropower, which can be affected by drought conditions. We are also hopeful that opportunities will emerge in BESS, as the medium-term solution to the challenges posed by the considerable renewable energy integration, especially from the rooftops.

Resus, as a long-term player in the energy sector, remains resilient and optimistic about an economic turnaround. Despite improvements in power infrastructure and household electrification, our per capita electricity consumption remains low compared to many South Asian countries. In case of an economic rebound, electricity demand is likely to increase. Since Sri Lanka is working towards achieving 70% renewable energy by 2030 and become a fully decarbonized nation by 2050, the government's policy is likely to back higher renewable integration. This could therefore open-up considerable opportunities to those in the renewable energy space.

### Sustainability

Our Vision and Mission are the cornerstones Our Vision and Mission are the cornerstones of creating value for our stakeholders. Our core values, structures, systems, and processors encourage sustainable development and inclusive growth, transparent and visible through our corporate reporting process. Continuous surveillance of compliance with systems, which include our Environmental Management Plan, is part of our development and operational framework. In addition, the quest to empower our staff is taking further strides. Our scheme to grow our own produce as a home garden project, the harvests from which are distributed amongst the staff, is gathering further momentum. Also, we are striving through almost our daily behavioral actions to fulfill our aspiration to be an equal opportunity employer.

### Global Reporting Initiative Standards

This is our tenth integrated Annual Report, and we unceasingly follow the best practices in corporate reporting and matters relating to sustainability. In the past few years, our sustainability reporting has been guided by the GRI G4 guidelines. As a responsible corporate citizen, we were amongst the early adopters of the GRI Standard taking sustainability reporting to greater heights.

### Conclusion

With our liquidity situation improving, we paid a cash dividend of Rs. 86,184,827 during the year in line with our objective to maximize returns to our shareholders. Starting off a difficult year, our team stood steadfast as we gradually consolidated our business as they did in more difficult times. They work hand in glove with me in our pursuit to take this company to greater heights. I salute them. I also extend my sincere gratitude to my fellow colleagues on the Board and to all of you, our valued shareholders, for your continuous trust and confidence, placed in us.



**G A K Nanayakkara**
Managing Director

Colombo, Sri Lanka
31st July 2025

*Managing Director Review*
*(Refer the Video Link)*

# BOARD OF DIRECTORS



**MR. H A S MADANAYAKE**
Non–Executive Chairman



**MR. G A K NANAYAKKARA**
Managing Director



**MR. U P EGALAHEWA**
President's Counsel
Non-Independent Non-Executive Director



**MRS. D C ABEYEWARDENA**
Independent Non-Executive Director

**PROFESSOR N.D. GUNAWARDENA**
Independent
Non-Executive Director



**MR. K P P M AMARASIRI**
Non-Independent
Non-Executive Director



## MR. H A S MADANAYAKE

Non–Executive Chairman

*Appointed to the Board on 6th January 2015*

### Skills and Experience

Mr. Suren Madanayake holds a BSc in Mechanical Engineering from the University of Texas at Austin, USA. He was appointed to the Board of ACL Cables PLC in June 1991 and appointed as Managing Director in September 2005. When Kelani Cables PLC was acquired in October 1999, he was appointed as Managing Director of Kelani Cables PLC and Lanka Olex Cables (Private) Ltd, which is the holding Company of Kelani Cables PLC. In 2003 he was appointed as Deputy Chairman of Kelani Cables PLC.

### Membership of Board Sub-Committees

Member of Board Remuneration Committee, Member of Nominations and Governance Committee

### Current Memberships on Corporate Boards

Chairman of Resus Energy PLC, Managing Director of ACL Cables PLC and ACL Plastics PLC and Director of Cables Solutions PLC., Ethimale Plantations (Pvt) Ltd., ACL Electric (Pvt) Ltd., Ceylon Bulbs & Electricals Ltd., ACL Metals & Alloys (Pvt.) Ltd., ACL Polymers (Pvt.) Ltd., ACL-Kelani Magnet Wire (Pvt.) Ltd., Ceylon Copper (Pvt.) Ltd., SM Lighting (Pvt) Ltd., Fab Foods (Pvt.) Ltd., Ceylon Tapioca Ltd., Destination Ceylon (Pvt.) Ltd., and National Asset Management (Pvt) Ltd. He serves as Trustee of CCC Foundation of Sri Lanka, which is an approved charity.

## MR. G A K NANAYAKKARA

Managing Director

*Appointed to the Board at the inception of the Company in 2003*

### Skills and Experience

Mr. Kishan Nanayakkara is a Fellow of the Chartered Institute of Management Accountants, UK and the Institute of Chartered Accountants in England and Wales. He holds an MSt in Sustainability Leadership from the Cambridge University, an MSc in Finance from the University of Birmingham, UK and AMP from Said Business School, University of Oxford. Mr. Nanayakkara counts for over thirty years of experience in various sectors from manufacturing to financial services at senior management and board levels. He served on the board of the Sri Lanka Sustainable Energy Authority and as an advisor to the National Council for Economic Development and as a consultant to the Public Enterprise Reforms Commission of Sri Lanka.

In 2019, Mr. Nanayakkara was accorded the Most Outstanding Alumnus Award, AMLP, from the Saïd Business School, University of Oxford.

### Membership of Board Sub-Committees

Member of Board Related Party Transactions Review Committee

Current Membership on Corporate Boards: Managing Director, Resus Energy PLC

### Current Memberships on Corporate Boards

Managing Director, Resus Energy PLC

## MR. U P EGALAHEWA

President's Counsel
Non-Independent Non-Executive Director

*Appointed to the Board on 19th January 2015*

### Skills and Experience

Mr. Uditha Egalahewa had his basic legal education at Sri Lanka Law College followed by a master's in law (LLM), University of Colombo; a second master's degree (LLM), as a World Bank sponsored scholar, from the International Maritime Law Institute of Malta in which he graduated with Distinction and was awarded the Professor Walter Muller Prize. He also holds a Postgraduate Diploma in Insurance Law from the University of Colombo.

Mr. Egalahewa counts over 30 years at the Bar. He joined the Chamber of the Attorney General of Sri Lanka in 1990 and served as counsel attached to the Government Institutions Branch, a State Counsel and then as a Senior State Counsel for a period of 15 years. He was appointed as President's Counsel in 2012. Mr. Egalahewa currently holds the Directorship in several companies.

### Membership of Board Sub-Committees

Member of Board Remuneration Committee, Related Party Transactions Review Committee, Audit and Risk Committee and Nominations and Governance Committee.

### Current Memberships on Corporate Boards

Non-Independent Non-Executive Director, Resus Energy PLC.

# BOARD OF DIRECTORS

## MRS. D C ABEYEWARDENA

**Independent Non-Executive Director**

*Appointed to the Board on 25th July 2019*

### Skills and Experience

Mrs. Abeyewardena is a Chartered Accountant, Sri Lanka and a Chartered Management Accountant, UK and has experience in both private and public sector. Her roles in Private sector included heading the Sri Lankan office o Iqvia Transnational, a clinical research company listed on the NYSE, Director Business Development of Hemas Holdings PLC, Manager public relations for Sri Lankan Airlines, and Manager Premier at HSBC Bank. She has during her tenure as Director Public Enterprises Reform Commission of the Government of Sri Lanka, managed several sector reform initiatives and privatizations. She has consulted Micro Cars and SLINTEC.

### Membership of Board Sub-Committees

Chairman of Board Audit and Risk Committee, Nominations and Governance Committee, Remuneration Committee and Member of Board Related Party Transactions Review Committee.

### Current Memberships on Corporate Boards

Director Louvre Bind Products Pvt Ltd and Environmental Foundation (Guarantee) Ltd.

## PROFESSOR N D GUNAWARDENA

**Independent Non-Executive Director**

*Appointed to the Board on 01st January 2025.*

### Skills and Experience

As a project management consultant Professor Gunawardena possesses over 25 years of extensive experience in the construction industry. Throughout his career, he has served as a Project Management Consultant on a wide range of large-scale building construction projects.

At present, he serves as the Vice-Chancellor of the University of Moratuwa. Throughout his career he has served as Head of the Department of Interdisciplinary Studies, Dean of the Faculty of Business, and Deputy Vice-Chancellor at the University of Moratuwa.

He is a Chartered Engineer and a Corporate Member of the Institution of Engineers, Sri Lanka, as well as a Fellow Member of the Institute of Project Managers, Sri Lanka (IPMSL). His academic credentials include a Bachelor of Science in Engineering from the University of Moratuwa, a Master of Science in Construction Technology, and a Doctor of Philosophy (PhD) in Project Management from Loughborough University of Technology in the United Kingdom.

He also holds a Bachelor of Science (Combined Honors) in Mathematics, Economics, and Management from Royal Holloway, University of London, and a Master of Science in Economics from University College London.

### Membership of Board Sub-Committees

Chairman of Related Party Transaction Review Committee, Member of Audit and Risk Committee, Member of Nominations and Governance Committee, Member of Remuneration Committee

### Current Memberships on Corporate Boards

Independent Non-Executive Director, R I L Property PLC, He also holds the Directorship on the Boards of Aster Holdings (PVT) LTD, Northshore College of Business & Technology (PVT) LTD, Zays (PVT) LTD, PARKLAND Integrated Solutions (Pvt) Ltd, Aster Services (Pvt) Ltd.

## MR. K P P M AMARASIRI

**Non-Independent Non-Executive Director**

*Appointed to the Board on 05th November 2024*

### Skills and Experience

Mr. Mahesh Amarasiri is a fellow member of Chartered Institute of Management Accountants UK and Associate Member of Institution of Engineers Sri Lanka. He holds a Master of Business Administration Degree from University of Moratuwa and Bachelor of Science in Electrical Engineering.

Mr. Amarasiri started his professional career as Management Accountant at Bodyline (Pvt) Ltd and currently serves as Group Chief Financial Officer at ACL Cables PLC. Previously he has served at several leading companies such as NDB Investment Bank, Etisalat Lanka (Pvt) Ltd, NDB Zephyr Partners Lanka Private Limited, DSI Samsons Group and he has also served as a Member in several Councils and Committees such as CIMA, Consumer Affairs Authority, Sri Lanka Accounting Standards Committee.

### Membership of Board Sub-Committees

None

### Current Memberships on Corporate Boards

Non-Executive Director, Resus Energy PLC, Non-Executive Non-Independent Director, Cable Solutions PLC.

## PROFESSOR K A M K RANASINGHE

Independent Non-Executive Director

*Appointed to the Board on 19th January 2015, resigned with effective from 31st December 2024*

### Skills and Experience

Prof. Malik Ranasinghe is a Senior Professor in Civil Engineering and a past Vice-Chancellor of the University of Moratuwa; an International Professional Engineer, Chartered Engineer and a Fellow of the Institution of Engineers, Sri Lanka; Fellow of the National Academy of Sciences, Sri Lanka; PhD from University of British Columbia, Vancouver, Canada in Civil Engineering as a Canadian Commonwealth Scholar; Published extensively on Engineering and Environmental Economics with Project Management; Recipient of awards including the General Research Committee Award for Outstanding Contribution to Sri Lankan Science from the Sri Lanka Association for Advancement for Science, the Committee of Vice-Chancellors and Directors (CVCD) Excellence Award for 2012 for the Most Outstanding Senior Researcher in Technology and related Sciences, the Award for Outstanding Contribution to Education 2012 at World Education Congress and the Education Leadership Award 2013 at the 4th Asia's Best B-School Awards, Singapore.

### Membership of Board Sub-Committees

None

### Current Memberships on Corporate Boards

Independent Non-Executive Director, Tee Jay Lanka PLC, Access Engineering PLC, and United Motors Lanka PLC.

## MR. U G MADANAYAKE

Non–Executive Director

*Appointed to the Board on 26th June 2015, resigned with effect from 05th November 2024*

### Skills and Experience

Mr. Upali Madanayake He graduated from the University of Cambridge England in 1958 and had his MA (Cantab) conferred on him in 1962. He is a Barrister at-law (Lincoln's Inn) and an Attorney at-law of the Supreme Court of Sri Lanka.

Mr. Upali Madanayake started his working life managing family-owned plantations until most of the lands were taken over by the State under the Land Reform Law of 1972. He still continues to have an active interest in agriculture. He joined the Board of Associated Motorways Limited and subsequently became the Deputy Chairman of the Company. He became a Director of ACL Cables PLC (then Associated Cables Limited) in January 1963, its Managing Director in July 1978 and Chairman cum Managing Director in May 1990. He relinquished his duties as Managing Director in September 2005 after appointing Mr. Suren Madanayake as Managing Director. With the acquisition of Kelani Cables PLC by the ACL group in October 1999, he was appointed as Chairman of Kelani Cables PLC. He has over 50 years' experience in the cable industry.

### Membership of Board Sub-Committees

None

### Current Memberships on Corporate Boards

Chairman, Fab Foods (Pvt) Ltd., Ceylon Tapioca Ltd., ACL Cables PLC, ACL Plastics PLC, Lanka Olex Cables (Pvt) Ltd.; Director, ACL Metals and Alloys (Pvt) Ltd., ACL Polymers (Pvt) Ltd., Ceylon Copper (Pvt) Ltd., ACL-Kelani Magnet Wire (Pvt) Ltd., Ceylon Bulbs and Electricals Ltd., Cables Solutions PLC, and ACL Electric (Pvt) Ltd

# MANAGEMENT TEAM



**K NANAYAKKARA**

Managing Director
*MSt., M.Sc., FCMA, FCA (E&W), AMLP*



**M TILLAKAWARDANA**

Chief Financial Officer
*MA (Fin. Econ), MBA, FCMA (UK), CGMA, FCPA, MSLIM, ACIM*



**P MUDUGAMA**

Head of Projects
*B.Sc. Eng. (Mechanical), B.Sc. Defense Studies and Military Eng. AMIE (IESL)*



**C PERERA**

Head of Engineering
*PG Dip (Water Resource Eng. & Mgt.), B.Sc. Eng (Civil), , AMIE (IESL)*



**W KATUGAMPALA**

Manager - Human Resources
*MBA (PIM-SJP), B.Sc.(UOC), ACMIPM*



**S SILVA**

Senior Manager - Operations & ESG
*B.Sc. M. Phil Primatology, Diploma in Occupational Health & Safety*



**P KARUNARATHNA**

Manager-Technical Services
*PG Dip (Electrical Eng.), B.Sc. Eng (Electrical), AMIE (IESL)*



**C KARUNAPALA**

Manager - Treasury
*MBA (PIM-USJP), ACMA (UK), CGMA*

# OUR BUSINESS OPERATION

**Renewable energy plays a pivotal role in shaping a sustainable future, reducing greenhouse gas emissions, improving environmental health, driving economic growth through job creation, and enhancing energy independence. Supported by technological innovation and modern grid systems, it ensures greater energy efficiency, price stability, and energy security, while promoting inclusive development and contributing to long-term global stability.**

## GLOBAL ENERGY

The global energy sector is experiencing a transformative shift, driven by growing awareness of climate change, advancements in clean technologies, and increasing demand for sustainable energy solutions. In 2024, global electricity demand increased by 4.2%, reaching nearly 31,153 TWh. Despite this growth, the continued reliance on fossil fuel remains a major concern, as they are responsible for over 75% of global greenhouse gas emissions. In response to these challenges, governments around the world are accelerating their renewable energy commitments. At COP28 held in Dubai, global leaders agreed to a landmark target to triple renewable energy capacity and double energy efficiency by 2030.

The rise of renewables is creating significant economic benefits. The sector is driving innovation, fostering job creation, and contributing to sustainable economic development. In many parts of the world, renewable energy technologies, particularly solar and wind have become more cost-effective than fossil fuels. Innovations such as Battery Energy Storage Systems (BESS), smart grid technologies, and high-efficiency solar panels are improving the performance, reliability, and economics of renewable power generation.

At the same time, growing environmental awareness among consumers is prompting businesses to adopt clean energy solutions, further accelerating the shift toward renewables. Many countries have revised and strengthened their renewable energy targets, reflecting increased political will and public support for climate action.

According to the International Energy Agency (IEA, 2024), renewables accounted for 40% of the growth in total energy supply, driven by the accelerated expansion of solar PV and wind energy. The combined contribution of solar and wind has now surpassed hydropower in the low-carbon energy mix, marking a significant shift in the renewable energy landscape. Global hydropower generation surged by 182 TWh in 2024, reaching its highest level to date. Looking ahead, renewable electricity generation is projected to reach 14,430 TWh by 2028.

## LOCAL ENERGY

The Sri Lankan government has set ambitious targets of achieving 70% renewable energy generation by 2030 and attaining carbon neutrality by 2050. The Ministry of Power and Energy, the Public Utilities Commission of Sri Lanka (PUCSL), and electricity sector service providers are taking measures to meet these goals.

Currently, over 40% of Sri Lanka's electricity is still generated from non-renewable sources, primarily coal and thermal oil. To reduce dependency on imported fossil fuels and enhance long-term economic stability, the country has made significant progress in facilitating private sector participation through Independent Power Producers (IPPs) investing in renewable energy projects. Sri Lanka is well positioned for renewable energy development, benefiting from abundant sunshine and favorable tropical climate.

To fulfill Sustainable Development Goal 7, which emphasizes affordable and clean energy, Sri Lanka is implementing its Nationally Determined Contributions (NDCs) to cut greenhouse gas (GHG) emissions.

As part of this effort, the government has introduced a series of reforms aimed at increasing investor confidence and enabling a sustainable energy future. The renewable energy sector remains promising, with increased investor interest driven by key initiatives such as the proposed Electricity Reform Bill, the implementation of a cost-based three-tier tariff structure and restructuring efforts within the Ceylon Electricity Board (CEB) to enhance its financial health and move towards independence.

As Sri Lanka's energy demands evolve, battery storage systems play a crucial role in making renewable energy more practical and reliable. From an environmental perspective, these systems also play a key role in helping Sri Lanka meet its climate goals.

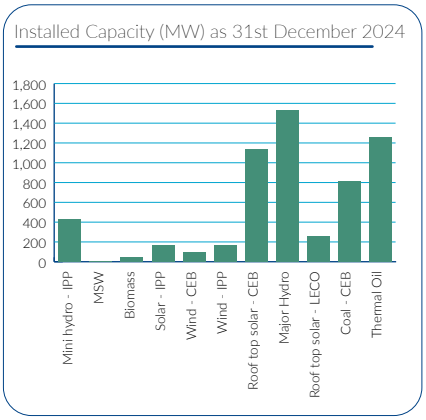
The sector continues to attract strong investment, supported by international

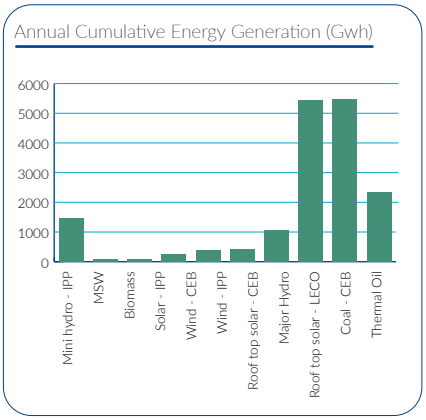
# OUR BUSINESS OPERATION

development partners such as the World Bank and the Asian Development Bank (ADB), reinforcing confidence in Sri Lanka's renewable energy trajectory.

As of 2024, the country's renewable energy capacity stands at about 3,815 MW. As part of its NDC plan, the country aims to develop this to increase to 6,790 MW by 2030. With its abundant renewable resources, an increase, wind, hydro, and biomass, Sri Lanka is well-positioned to achieve this target.

The Long Term Generation & Expansion Plan base case plan specifies a target of 4,705MW of solar power, 1,825MW of wind power, 195MW of mini-hydro, and 200MW of biomass power.




## OUR OPERATIONS

At Resus, we are passionately and firmly committed to supporting Sri Lanka's national effort to develop renewable energy resources. Throughout the year, our business operations have demonstrated resilience and efficiency, enabling us to meet strategic goals and drive sustainable growth.

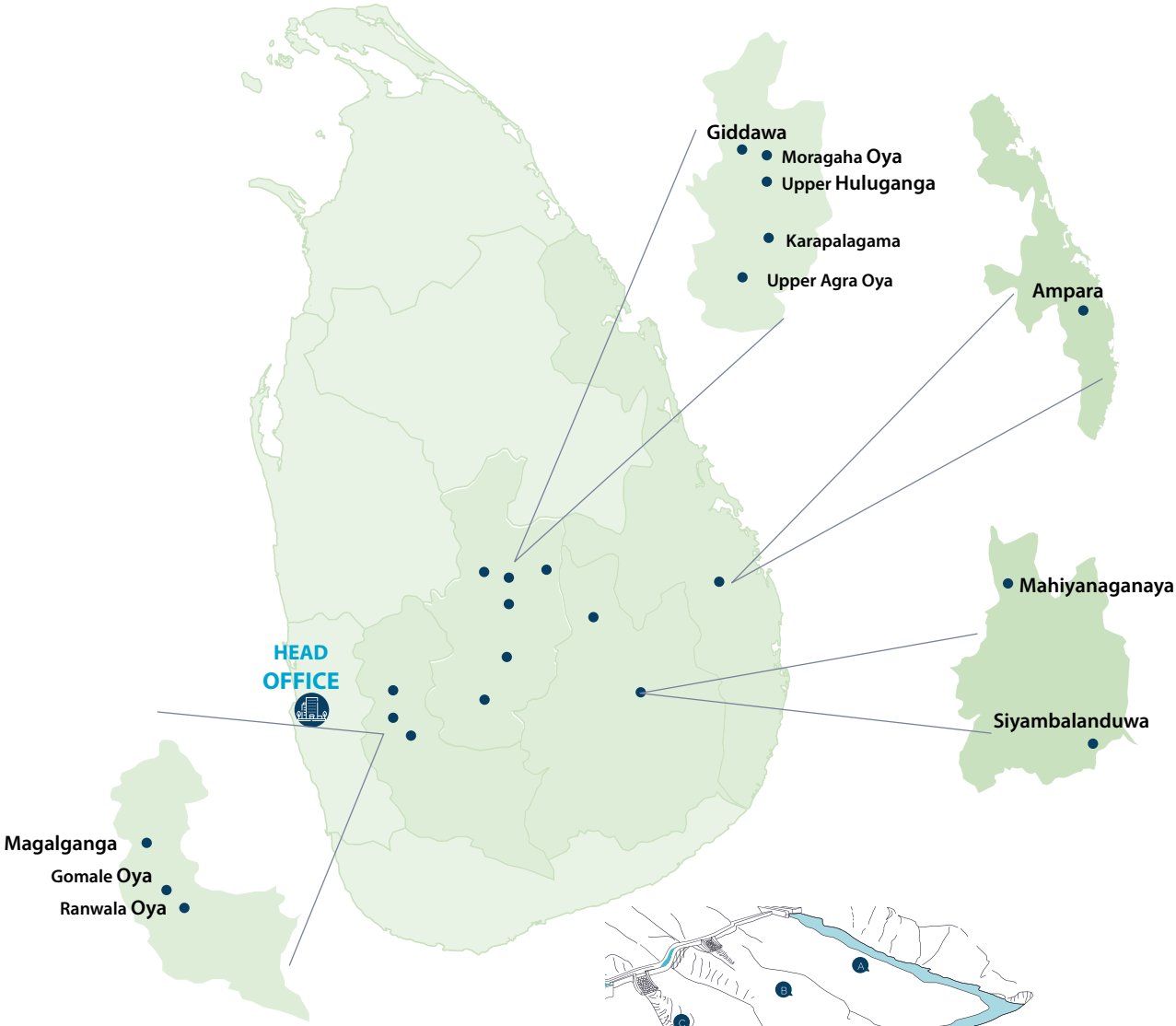
In March 2025 we commissioned 5MW solar power project in Damana and further 1MW and 2MW ground mounted solar projects are in hand to be progressed in Pallekele and Damana respectively. Aligned with its long-term strategic objectives, Resus is pursuing international expansion, with its first East African project nearing the completion of key regulatory approvals.

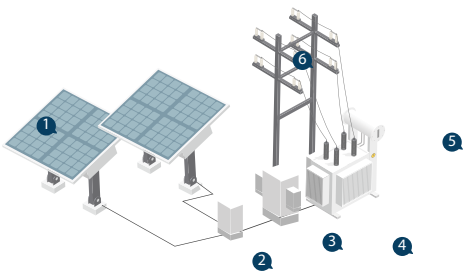
Our renewable energy portfolio comprises eight hydropower plants with a total capacity of 16MW and four ground-mounted solar projects totaling 14MW. All our projects feature top-tier electromechanical equipment and are operated by a competent and skilled workforce, ensuring optimal energy generation.

Currently, we maintain a balanced portfolio of solar and hydropower assets while actively exploring additional renewable energy sources such as wind, and battery storage systems to further diversify and expand our capacity.

In the financial year 2024/25, the total capacity generated and supplied to the national grid was 62.3 GWh, compared to 59.7 GWh in the previous year.

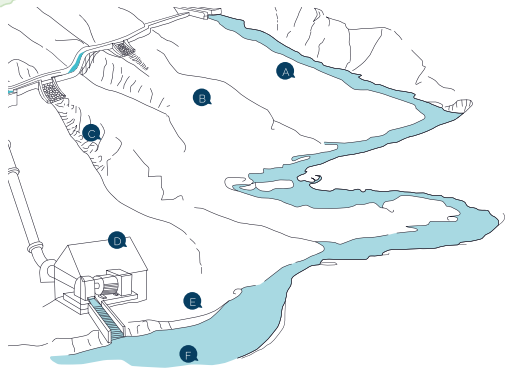





OVERVIEW OF SOLAR ELECTRICITY GENERATION

1 PV Modules 3 Control Room 5 Meter
2 Inverter 4 Transformer 6 Utility Grid




OVERVIEW OF HYDRO ELECTRICITY GENERATION FROM A RUN-OF-THE-RIVER MINI HYDROPOWER PLANT

A Intake Weir
B Diversion Channel
C Forebay Tank
D Penstock
E Power House Containing Turbine And Generator
F Tailrace

# OUR BUSINESS OPERATION

## RESUS HYDRO POWER PROJECTS



RESUS ENERGY PLC OPERATES A PORTFOLIO OF STRATEGICALLY LOCATED MINI HYDRO POWER PLANTS ACROSS SRI LANKA, HARNESSING THE POWER OF FLOWING WATER TO GENERATE CLEAN, RENEWABLE ENERGVY. WITH MINIMAL ENVIRONMENTAL IMPACT, THESE FACILITIES DELIVERED A TOTAL OF 46.69 GWH OF ELECTRICITY THIS YEAR—CONTRIBUTING MEANINGFULLY TO THE NATIONAL GRID AND SRI LANKA'S SUSTAINABLE ENERGY FUTURE.

## GIDDAWA MINI HYDRO POWER PROJECT



### Project snapshot

| | |
|---|---|
| Capacity | 2.0 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 08/05/2006 |
| Tenure of Renewed SPPA | 15 Years |
| Commissioned | October 2008 |

### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 389 Mn |
| Turbine Type | Fransis |
| Turbine Supplier | WKV – Germany |
| Generator Supplier | Hitzinger – Austria |

### Location and Site Details

| | |
|---|---|
| Location | Giddawa, Digana |
| District | Kandy |
| River | Huluganga |
| Head | 26.3 meters |
| Land Status | Freehold – 1A-3R-30.90P |
| Buildings | 2 |
| Total Area of Buildings | 4,103 sq ft |

### Operations and Performance

| | |
|---|---|
| Tariff Type | Avoided cost tariff |
| Employees | 9 |
| Energy Dispatched (GWh) | 8.98 (2024 - 8.14) |
| Plant Factor for the year | 51% (2024 - 46%) |
| Carbon Emission Reduction(t-$CO_2$) | 6472 (2024 - 5870) |

# OUR BUSINESS OPERATION

## RESUS HYDRO POWER PROJECTS

### UPPER MAGALGANGA MINI HYDRO POWER PROJECT



#### Project snapshot

| | |
|---|---|
| Capacity | 2.4 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 09/02/2010 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | September 2011 |

#### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 453 Mn |
| Turbine Type | Fransis |
| Turbine Supplier | GHE – Austria |
| Generator Supplier | Hitzinger – Austria |

#### Location and Site Details

| | |
|---|---|
| Location | Dikkellakanda, Maliboda |
| District | Kegalle |
| River | Magalganga |
| Head | 110.0 meters |
| Land Status | Freehold – 0A-3R-31.83P |
| Buildings | 2 |
| Total Area of Buildings | 3,504 sq ft |

#### Operations and Performance

| | |
|---|---|
| Tariff Type | Cost-based technology-specific fixed tariff (Rs.14.58) |
| Employees | 9 |
| Energy Dispatched (GWh) | 6.94 (2024 - 6.81) |
| Plant Factor for the year | 33% (2024 - 32%) |
| Carbon Emission Reduction(t-$CO_2$) | 5001 (2024 - 4910) |

## UPPER AGRA OYA MINI HYDRO POWER PROJECT



### Project snapshot

| | |
|---|---|
| Capacity | 2.6 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 29/04/2005 |
| Tenure of Renewed SPPA | 15 Years |
| Commissioned | February 2006 |

### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 345 Mn |
| Turbine Type | Fransis |
| Turbine Supplier | Gilkes – UK |
| Generator Supplier | Alconza – Spain |

### Location and Site Details

| | |
|---|---|
| Location | Lindula, Thalawakelle |
| District | Nuwara Eliya |
| River | Agra Oya |
| Head | 40.0 meters |
| Land Status | Leasehold from Hatton Plantations PLC |
| Buildings | 2 |
| Total Area of Buildings | 5,078 sq ft |

### Operations and Performance

| | |
|---|---|
| Tariff Type | Avoided cost tariff |
| Employees | 5 |
| Energy Dispatched (GWh) | 7.51 (2024 – 8.26) |
| Plant Factor for the year | 33% (2024 - 36%) |
| Carbon Emission Reduction(t-$CO_2$) | 5413 (2024 -5950) |

# OUR BUSINESS OPERATION

## RESUS HYDRO POWER PROJECTS

### GOMALE OYA MINI HYDRO POWER PROJECT



#### Project snapshot

| | |
|---|---|
| Capacity | 1.4 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 28/04/2015 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | August 2016 |

#### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 276 Mn |
| Turbine Type | Pelton |
| Turbine Supplier | Zeco – Italy |
| Generator Supplier | Marelli Motori – Italy |

#### Location and Site Details

| | |
|---|---|
| Location | Magala, Maliboda |
| District | Kegalle |
| River | Gomale Oya |
| Head | 160.0 meters |
| Land Status | Freehold – 1A-0R-26.91P |
| Buildings | 2 |
| Total Area of Buildings | 2,518 sq ft |

#### Operations and Performance

| | |
|---|---|
| Tariff Type | Cost-based technology-specific three-tier tariff |
| Employees | 6 |
| Energy Dispatched (GWh) | 1.76 (2024 - 2.78) |
| Plant Factor for the year | 33% (2024 - 23%) |
| Carbon Emission Reduction(t-$CO_2$) | 1272 (2024 - 2000) |

## MORAGAHA OYA MINI HYDRO POWER PROJECT



### Project snapshot

| | |
|---|---|
| Capacity | 1.5 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 28/04/2015 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | March 2017 |

### Location and Site Details

| | |
|---|---|
| Location | Panvila, Theldeniya |
| District | Kandy |
| River | Moragaha Oya |
| Head | 78.7 meters |
| Land Status | Leasehold |
| Buildings | 1 |
| Total Area of Buildings | 1,520 sq ft |

### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 378 Mn |
| Turbine Type | Fransis |
| Turbine Supplier | Gugler – Austria |
| Generator Supplier | Marelli Motori – Italy |

### Operations and Performance

| | |
|---|---|
| Tariff Type | Cost-based technology-specific three-tier tariff |
| Employees | 9 |
| Energy Dispatched (GWh) | 5.59 (2024: 5.11) |
| Plant Factor for the year | 43% (2024: 39%) |
| Carbon Emission Reduction(t-$CO_2$) | 4027 (2024: 3690) |

# OUR BUSINESS OPERATION

## RESUS HYDRO POWER PROJECTS

### RANWALA OYA MINI HYDRO POWER PROJECT



#### Project snapshot

| | |
|---|---|
| Capacity | 1.2 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 06/08/2010 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | November 2018 |

#### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 378 Mn |
| Turbine Type | Fransis |
| Turbine Supplier | Lanzu International – China |
| Generator Supplier | Lanzu International – China |

#### Location and Site Details

| | |
|---|---|
| Location | Maliboda, Deraniyagala |
| District | Kegalle |
| River | Ranwala Oya |
| Head | 50.0 meters |
| Land Status | Leasehold |
| Buildings | 1 |
| Total Area of Buildings | 2,600 sq ft |

#### Operations and Performance

| | |
|---|---|
| Tariff Type | Cost-based technology-specific fixed tariff (Rs.14.58) |
| Employees | 6 |
| Energy Dispatched (GWh) | 3.48 (2024: 3.58) |
| Plant Factor for the year | 33% (2024: 35%) |
| Carbon Emission Reduction(t-$CO_2$) | 2509 (2024: 2580) |

## UPPER HULUGANGA MINI HYDRO POWER PROJECT



### Project snapshot

| | |
|---|---|
| Capacity | 2.0 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 01/10/2015 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | July 2017 |

### Location and Site Details

| | |
|---|---|
| Location | Panvila, Theldeniya |
| District | Kandy |
| River | Huluganga |
| Head | 63.8 meters |

### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 365 Mn |
| Turbine Type | Fransis |
| Turbine Supplier | Zeco – Italy |
| Generator Supplier | Marelli Motori – Italy |

### Operations and Performance

| | |
|---|---|
| Tariff Type | Cost-based technology-specific three-tier tariff |
| Employees | 8 |
| Energy Dispatched (GWh) | 5.47 (2024: 5.20) |
| Plant Factor for the year | 31% (2024: 29.7%) |
| Carbon Emission Reduction(t-$CO_2$) | 3945 (2024: 3750) |

# OUR BUSINESS OPERATION

## RESUS HYDRO POWER PROJECTS

### KARAPALAGAMA MINI HYDRO POWER PROJECT



| Project snapshot | |
|---|---|
| Capacity | 2.0 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 05/03/2012 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | May 2021 |

| Equipment & Investment | |
|---|---|
| Invested Capital | Rs. 778 Mn |
| Turbine Type | Fransis |
| Turbine Supplier | Lanzu International – China |
| Generator Supplier | Lanzu International – China |

| Location and Site Details | |
|---|---|
| Location | Walapane, Nildandahinna |
| District | Nuwara Eliya |
| River | Madulla Oya |
| Head | 69.0 meters |

| Operations and Performance | |
|---|---|
| Tariff Type | Cost-based technology-specific three-tier tariff |
| Employees | 8 |
| Energy Dispatched (GWh) | 6.96 (2024: 6.56) |
| Plant Factor for the year | 40% (2024: 31%) |
| Carbon Emission Reduction(t-$CO_2$) | 5015 (2024: 4730) |

## RESUS SOLAR POWER PROJECTS



HARNESSING THE POWER OF THE SUN, RESUS ENERGY PLC'S SOLAR PROJECTS ARE ADVANCING SRI LANKA'S CLEAN ENERGY FUTURE. DURING THE YEAR, OUR SOLAR PLANTS PRODUCED 15.63 GWH OF ELECTRICITY—DELIVERING ZERO-EMISSION ENERGY THROUGH EFFICIENT, GRID-CONNECTED SYSTEMS IN HIGH-INSOLATION REGIONS.

# OUR BUSINESS OPERATION

## RESUS SOLAR POWER PROJECTS

### RESUS SOLAR POWER PROJECT – SIYAMBALANDUWA



| Project snapshot | |
|---|---|
| Capacity | 2.0 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 13/03/2019 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | September 2020 |

| Location and Site Details | |
|---|---|
| Location | Mahakalugolla, Siyambalanduwa |
| District | Monaragala |
| Grid | Ampara |

| Operations and Performance | |
|---|---|
| Tariff Type | Fixed technology-specific tariff (Rs.18.09 & Rs.18.19) |
| Employees | 5 |
| Energy Dispatched (GWh) | 3.20 (2024: 3.21) |
| Plant Factor for the year | 8% (2024: 15%) |
| Carbon Emission Reduction(t-$CO_2$) | 2308 (2024: 2310) |

| Equipment & Investment | |
|---|---|
| Invested Capital | Rs. 306 Mn |
| Solar Panels | Trina Solar – Singapore |
| Inverters | Sungrow – India |
| Transformers | SRS International Pvt Ltd |

## RESUS SOLAR POWER PROJECT - MAHIYANGANAYA



### Project snapshot

| | |
|---|---|
| Capacity | 6.0 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 06/04/2022 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | April 2022 |

### Location and Site Details

| | |
|---|---|
| Location | Welampala, Rideemaliyadda, Mahiyanganaya |
| District | Badulla |
| Grid | Mahiyanganaya |

### Operations and Performance

| | |
|---|---|
| Tariff Type | Cost-based fixed tariff |
| Employees | 8 |
| Energy Dispatched (GWh) | 10.56 (2024: 9.16) |
| Plant Factor for the year | 20% (2024: 17%) |
| Carbon Emission Reduction(t-$CO_2$) | 7611 (2024: 6600) |

### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 1,033 Mn |
| Solar Panels | JA Solar International Limited– China |
| Inverters | Huawei Technologies Co. Ltd |
| Transformers | LTL Transformers Pvt Ltd |

# OUR BUSINESS OPERATION

## RESUS SOLAR POWER PROJECTS

### RESUS SOLAR PROJECT – SIYAMBALANDUWA (AMPARA)



#### Project snapshot

| | |
|---|---|
| Capacity | 1.0 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 18/09/2023 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | September 2023 |

#### Location and Site Details

| | |
|---|---|
| Location | Mahakalugolla, Siyambalanduwa |
| District | Monaragala |
| Grid | Ampara |

#### Operations and Performance

| | |
|---|---|
| Tariff Type | Fixed tariff – Rs.13.92 |
| Energy Dispatched (GWh) | 1.83 (2024: 0.89) |
| Plant Factor for the year | 0% (2024: 19%) |
| Carbon Emission Reduction(t-$CO_2$) | 1318 (2024: 650) |

#### Equipment & Investment

| | |
|---|---|
| Invested Capital | Rs. 263 Mn |
| Solar Panels | JA Solar International Limited– China |
| Inverters | Huawei Technologies Co. Ltd |
| Transformers | LTL Transformers Pvt Ltd |

## RESUS SOLAR POWER PROJECT – AMPARA



### Project snapshot

| | |
|---|---|
| Capacity | 5.0 MW |
| Status | Operational |
| Date of Standardized Power Purchase Agreement | 18/02/2021 |
| Tenure of Renewed SPPA | 20 Years |
| Commissioned | March 2025 |

### Location and Site Details

| | |
|---|---|
| Location | Neeththa, Damana |
| District | Ampara |
| Grid | Ampara |

### Operations and Performance

| | |
|---|---|
| Tariff Type | Fixed tariff - Rs. 14.42 |
| Energy Dispatched (GWh) | 0.04 |
| Plant Factor for the year | 19% |
| Carbon Emission Reduction(t-$CO_2$) | 30 |

### Equipment & Investment

| | |
|---|---|
| Invested Capital | 750 Mn |
| Solar Panels | Jinko Solar / DAS Solar |
| Inverters | Huawei Technologies Co. Ltd |
| Transformers | LTL Transformers Pvt Ltd |

*Damana Project Development*

# CREATING SHARED VALUE

## INPUT CAPITALS

### FINANCIAL CAPITAL
DEBT
EQUITY
Page 47

### MANUFACTURED CAPITAL
PROPERTY, PLANT AND EQUIPMENT
TECHNOLOGY
Page 55

### NATURAL CAPITAL
HEAD AND FLOW / WATER
ENERGY / MATERIAL
Page 74

### HUMAN CAPITAL
EMPLOYEES
Page 64

### SOCIAL AND RELATIONSHIP CAPITAL
CUSTOMERS / SUPPLIERS/ CONTRACTORS / GOVERNMENT INSTITUTIONS / LOCAL COMMUNITIES
Page 58

### INTELLECTUAL CAPITAL
KNOWLEDGE AND EXPERIENCE
PROCESSES / SYSTEMS AND PROCEDURES
Page 72

## BUILD OWN AND OPERATE RENEWABLE ENERGY PROJECTS




VISION, MISSION AND VALUES | BUSINESS STRATEGY | RISK MANAGEMENT

## VALUE CREATED FOR OUR KEY STAKEHOLDERS

### SHAREHOLDERS

NPAT
**Rs.214.97 Mn**

Shareholder funds
**Rs.2,472.34 Mn**

Dividend Paid
**Rs. 86.14 Mn**

### LENDERS

Borrowings
**Rs.3,385.75 Mn**

Capital Repayments
**Rs.777.5Mn**

Interest Paid
**Rs. 402 Mn**

### CUSTOMERS

Generation
**62.3 GWh**

### SUPPLIERS

Supplier payments to civil contractors
**Rs. 198.36 Mn**

Contracts signed with overseas suppliers
**Rs. 218 Mn**

### EMPLOYEES

Total Training Hours
**417**

Employee benefits
**Rs.135.8 Mn**

Career development
Rewards and recognition

### REGULATORS

Taxes paid
**Rs.57.3 Mn**

### SOCIETY AND ENVIRONMENT

Employment opportunities to villagers
**66**

Community development
**Rs.0.85 Mn**

## OTHER IMPACTS

### ECONOMIC

Financial Capital

Manufactured Capital

### SOCIAL

Social and Relationship Capital

Human Capital

Intellectual Capital

### ENVIRONMENTAL

Natural Capital

BUSINESS ETHICS AND GOVERNANCE

ENVIRONMENTAL MANAGEMENT SYSTEM

# CONNECTING WITH STAKEHOLDERS

**Active stakeholder engagement plays a crucial role in driving sustainability and shaping our approach to our resources in order to create value. The needs and expectations of stakeholders, as identified through the engagement process, significantly influence our strategic decision-making. We prioritize input to determine our direction.**

We have put in place several procedures to successfully fulfill stakeholder expectations and promote a good impact through our business conduct. These consist of a moral code of conduct for business, a system for managing the environment, efficiently organized operations for managing finances and human resources, and efficient management. By taking these steps, we can make sure that we listen to the needs and goals of our stakeholders and that our business practices improve their quality of life.

## MANAGEMENT APPROACH FOR STAKEHOLDER IDENTIFICATION AND ENGAGEMENT

At the planning stages of our projects, our project team diligently identifies all stakeholders involved. This process is a fundamental element of our in-house project management manual. We firmly believe that maintaining an open and constructive dialogue with our stakeholders is essential.

Engaging in ongoing communication allows us to gain a comprehensive understanding of their expectations, which, in turn, contributes to effective risk management, learning, and innovation within our projects. By actively involving stakeholders, we can identify and address emerging issues and seize opportunities for improved performance.

While we interact with a diverse range of stakeholders, we prioritize establishing a robust and consistent engagement process with those who have a critical impact on our business. This targeted approach ensures that we establish strong relationships with key stakeholders and align our efforts to meet their needs and expectations effectively.

Stakeholder expectations are identified using the data collected from various stakeholder groups from initial engagements and based on their past experiences. Then the identified stakeholders are ranked based on the following criteria;

- Parties likely to be affected by operations of Resus
- Parties who have responsibilities towards Resus
- Parties likely to influence Resus's operations

Based on the above aspects, the main stakeholders identified are;

- Shareholders- Equity Partners and Public Shareholders
- Lenders- Banks and Financial Institutions
- Customers- Ceylon Electricity Board
- Employees
- Suppliers- Electromechanical Equipment Suppliers and Civil Contractors
- Society
- Regulators- Government Institutions and Agencies
- Environment

We maintain formal communication mechanisms with all groups of stakeholders on a periodic basis with a view to identifying stakeholder

expectations and assess the outcomes of its engagement.

| Identification | Planning | Engagement | Evaluation | Prioritization |
|---|---|---|---|---|
| Identify stakeholder groups | Establish scope, objectives and timelines<br><br>Allocate resources | Determine mode of engagement<br><br>Conduct engagement | Assess concerns and expectations<br><br>Formulate necessary policies and action plans | Review and prioritize findings<br><br>Address concerns |






| EQUITY PARTNERS AND PUBLIC SHAREHOLDERS | BANKS AND FINANCIAL INSTITUTIONS | CEYLON ELECTRICITY BOARD | EMPLOYEES |
|---|---|---|---|
| **Frequency of Engagement**<br>Annually, Quarterly and Regularly | **Frequency of Engagement**<br>As required | **Frequency of Engagement**<br>Regularly | **Frequency of Engagement**<br>Regularly |
| **Engagement Methods**<br>♦ Board meetings among representative members of main equity partners<br>♦ Annual general meeting<br>♦ Announcements and financial publications on the CSE website | **Engagement Methods**<br>♦ Announcements and financial publications on the CSE website<br>♦ Performance updates via submission of monthly, quarterly and annual financials for facility reviews<br>♦ Meetings and discussions | **Engagement Methods**<br>♦ Build close rapport with senior officials at CEB<br>♦ Regular engagement in relationship management activities<br>♦ Compliance with provisions in Standardised Power Purchase Agreements | **Engagement Methods**<br>♦ Management meetings and internal communications<br>♦ Strategic planning sessions<br>♦ Annual and semi-annual performance review meetings<br>♦ HR clinics at plant sites<br>♦ Mentoring and counselling |
| **Discussion Topics**<br>♦ Business plan and strategic direction<br>♦ Business performance drivers and sustainability<br>♦ Governance and Ethics<br>♦ Return on Investment and Risk Management | **Discussion Topics**<br>♦ Project financing<br>♦ Debt service coverage<br>♦ Banking transactions<br>♦ Business performances<br>♦ Loan covenants<br>♦ Discussions on Loan Restructure if and when required | **Discussion Topics**<br>♦ New project approvals<br>♦ Grid connection proposals<br>♦ Projects commissioning and transmission<br>♦ Settlement for electricity units dispatched at applicable tariff rates<br>♦ Grid Breakdowns<br>♦ Grid Maintenance | **Discussion Topics**<br>♦ Remuneration and annual goal setting<br>♦ Staff welfare<br>♦ Employee relationship management<br>♦ Training and development<br>♦ Occupational health and safety |
| **Our Response**<br>♦ Creating Economic Value Added (EVA) to our shareholders by undertaking projects with high Internal Rate of Return and appropriate risk management measures | **Our Response**<br>♦ Strict monitoring of compliance with provisions in loan agreements<br>♦ Audit committee review of any non-compliance<br>♦ Timely settlement of dues | **Our Response**<br>♦ Submiting invoices in accordance with agreed specifications in Standardised Power Purchase Agreement (SPPA) | **Our Response**<br>♦ On the job training<br>♦ Imparting company values<br>♦ Platforms for employee feedback<br>♦ Performance driven reward systems<br>♦ Health & safety initiatives<br>♦ Open door policy |

## CONNECTING WITH STAKEHOLDERS






| ELECTRO MECHANICAL EQUIPMENT SUPPLIERS AND CIVIL CONTRACTORS | SOCIETY | GOVERNMENT INSTITUTIONS AND AGENCIES | NATURAL ENVIRONMENT |
|---|---|---|---|
| **Frequency of Engagement**<br>As required | **Frequency of Engagement**<br>Regularly | **Frequency of Engagement**<br>Regularly | **Frequency of Engagement**<br>Regularly |
| **Discussion Topics**<br>♦ Procurement policies<br>♦ Engineering standards<br>♦ Contractual obligations<br>♦ Supplier Assessments- labour practices, environmental and social impacts<br>♦ Adherence to civil construction contracts and timely settlements | **Discussion Topics**<br>♦ Needs and requirements of society<br>♦ CSR activities<br>♦ Ethical business conduct | **Discussion Topics**<br>♦ Project approvals<br>♦ Adherence to guidelines of project approvals<br>♦ Governance and Ethics | **Discussion Topics**<br>♦ Environmental management<br>♦ Water<br>♦ Generation of clean and green energy<br>♦ Compliance and conservation<br>♦ Emissions and waste |
| **Engagement Methods**<br>♦ On-site visits to electromechanical equipment suppliers<br>♦ Regular invitations for bids for supply and construction contracts of hydropower projects Adherence to terms and conditions in supply agreements | **Engagement Methods**<br>♦ Close contact with opinion leaders in immediate local communities of project sites<br>♦ Scoping committee meetings before starting projects<br>♦ Focus group meetings<br>♦ Community development<br>♦ Employment to villagers | **Engagement Methods**<br>♦ Close engagement with senior officials of government institutions<br>♦ Venturing with government agencies for good causes<br>♦ Submission of special reports as per requirements | **Engagement Methods**<br>♦ Develop projects under strict environmental regulations<br>♦ In-house Environmental Management System to ensure compliance<br>♦ Carry out projects with minimum destruction to the environment<br>♦ Engage in environmental development programmes |
| **Our Response**<br>♦ Mutual benefits through sharing of information<br>♦ Obtaining references and guarantees provided for the goods supplied<br>♦ Construction agreements signed according to ICTAD guidelines | **Our Response**<br>♦ Build, own and operate projects within our ethical code of conduct and deliver promises as a responsible corporate citizen<br>♦ Strive to reach the best solution with local communities to improve their life styles through generous sponsorships | **Our Response**<br>♦ Regular review of compliance with government approvals and report any non-compliances to the Audit Committee<br>♦ Timely payment of all statutory dues | **Our Response**<br>♦ Regularly monitoring compliance<br>♦ Periodical noise level and water quality testing<br>♦ Preventive and corrective measures to minimize negative externalities |

# DETERMINING MATERIALITY

GRI 3-1 3-2 3-3

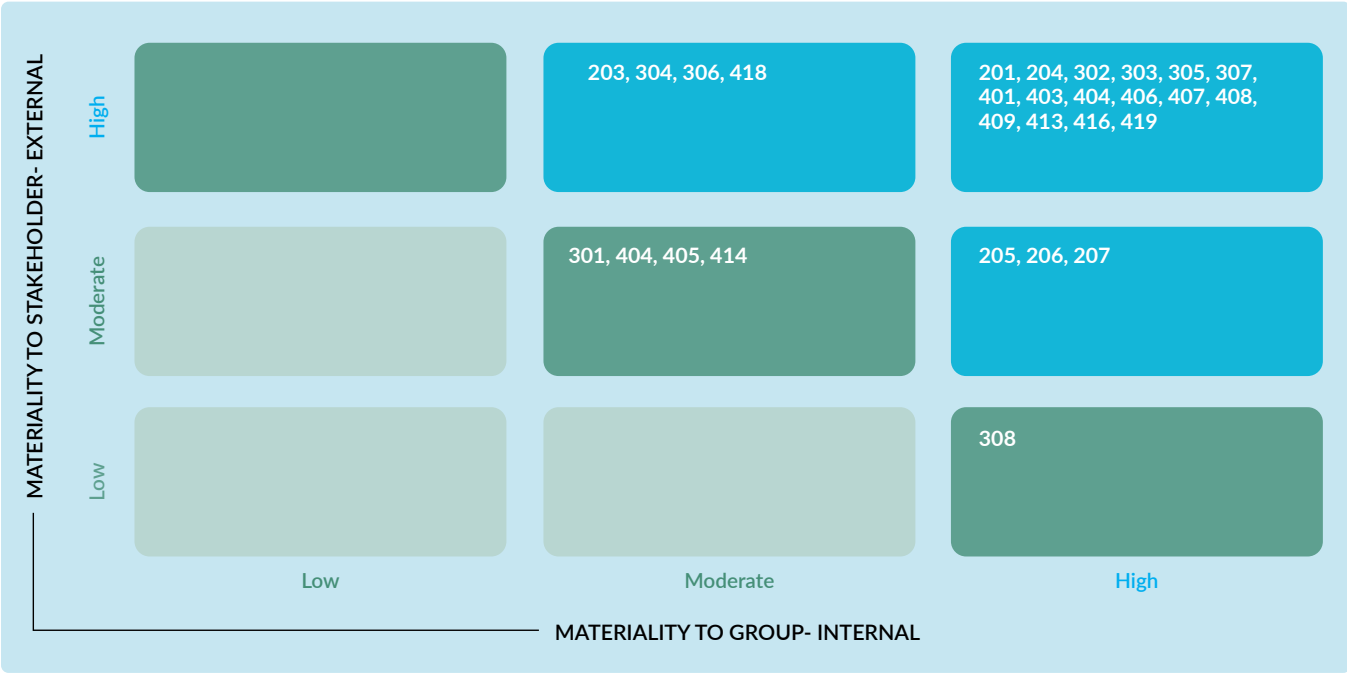
Material matters are those that significantly influence how our stakeholders assess and make decisions regarding our dedication to sustainability and their requirements. These significant aspects play a crucial role in shaping our strategic planning and operations, ultimately helping us achieve our strategic goals. The process of evaluating materiality is undertaken to address issues according to their potential impact on our ability to generate value throughout the value chain. As stakeholders' needs continue to evolve, it's imperative that our responses also adapt over time.

This report serves as a primary means to convey the Group's actions in response to stakeholder concerns over the financial year. Identifying key sustainability-related risks, important stakeholders, evaluating material topics based on their relevance to both the Group and stakeholders, and devising management approaches to tackle these topics are all integral parts of shaping this report.

Throughout the year, material matters that emerged were correlated with the subjects outlined in the GRI standards. After this correlation and reconciliation process, issues not directly aligned with the GRI standards were also incorporated as independent material topics. Subjects with lower material significance have not been included in the report. The management approach towards GRI topics considered material to both stakeholders and the Group is presented within each relevant section. Notably, there have been no revisions or notable alterations in the list of material topics and their boundaries in comparison to the 2024 report.

- Identification of issues
- Evaluation of their significance
- Prioritization of material issues
- Reporting based on materiality

**The process for identifying and prioritizing material issues is as follows**



# RESUS STRATEGY

Resus Energy PLC's strategic blueprint extends from our overarching vision, mission, and values. The company maintains a keen awareness of its actions, aligning them with the strategy to create value for shareholders in a sustainable manner, all the while fulfilling the requirements of other stakeholders.



**GOAL**

**SUSTAINABLE WEALTH CREATION**

**ACTIONS**

| CAPITAL MANAGEMENT | PEOPLE MANAGEMENT | RELATIONSHIP MANAGEMENT | EFFICIENT OPERATIONS | RISK MANAGEMENT | CORPORATE GOVERNANCE |
|---|---|---|---|---|---|
| • Optimizing Cost of capital<br>• Enhancing return on Investment | • Acquiring right talent<br>• Developing talents | • Strong long-term relationship based on mutual trust<br>• Empowering Communities | • Preventive maintenance<br>• Continuous efficiency improvements | • Proactive actions against adverse macro-economic variables<br>• Technological diversification | • Effective check and balance<br>• Sound control environment |
| FINANCIAL CAPITAL | HUMAN CAPITAL | SOCIAL AND RELATIONSHIP CAPITAL | MANUFACTURED CAPITAL | RISK MANAGEMENT | CORPORATE GOVERNANCE |

**VISION**

**TO BUILD**
- Commercially Sustainable
- Energetic
- World Class Organization

**BY MEETING**
- Energy Needs

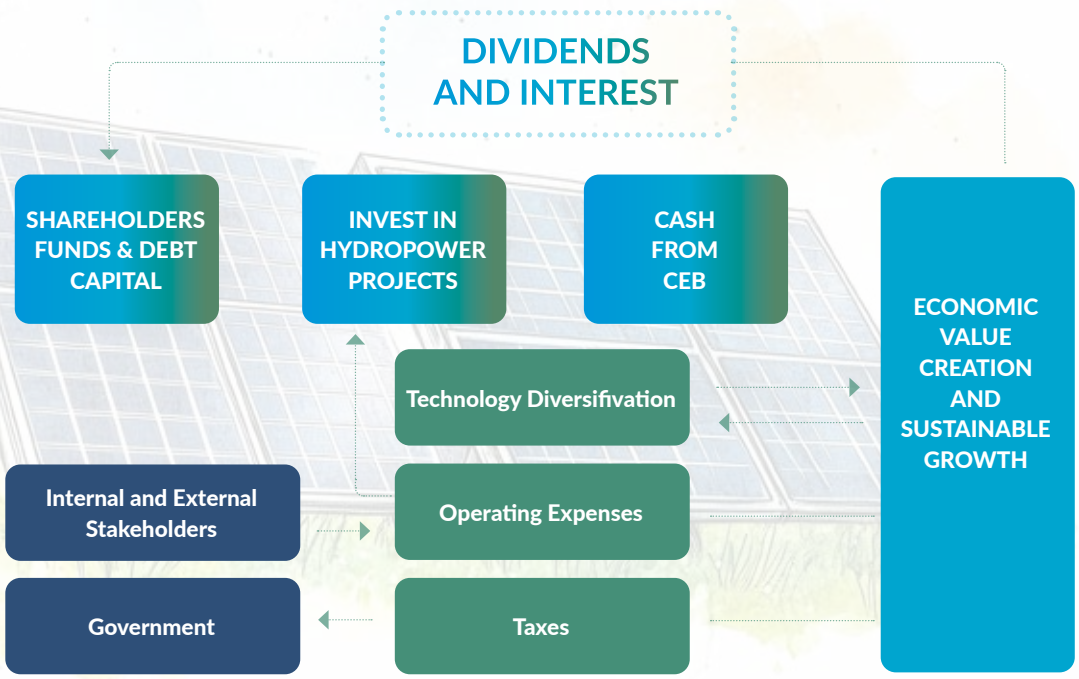
**CARES FOR**
- People and
- Planet



# FINANCIAL CAPITAL

**Financial capital serves as the foundation of our business strategy, enabling us to deliver sustainable value to our stakeholders. It provides the critical resources required to fund operations, invest in growth opportunities, and navigate evolving market conditions.**

**Throughout the year, we have focused on maintaining a resilient capital structure, optimizing cash flows, and allocating resources effectively to support long-term value creation. Our disciplined financial management has strengthened our ability to withstand external challenges while positioning us for future growth and innovation.**




At Resus Energy PLC, we are committed to delivering long-term value to our shareholders while aligning with Sri Lanka's energy transition goals. Our financial strategy balances robust growth, prudent capital management, and sustainability, ensuring resilience in a dynamic market.

# FINANCIAL CAPITAL

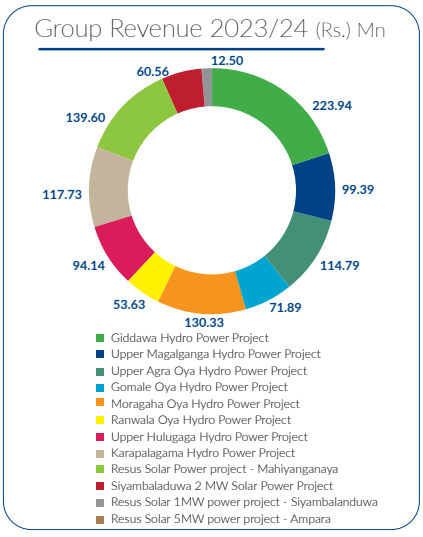
## AN OVERVIEW OF FINANCIAL PERFORMANCE

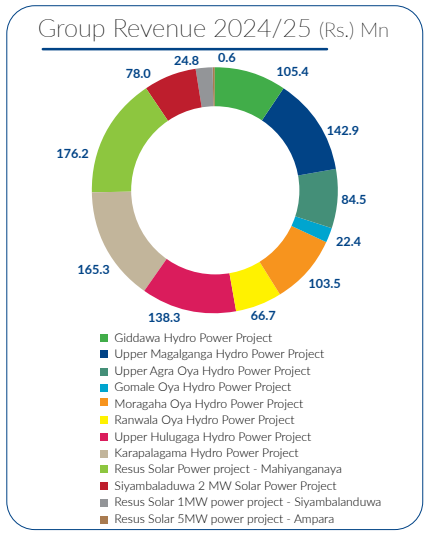
The Group delivered a strong performance during the year, marked by a notable increase in both revenue and profit before tax compared to the previous financial year. Revenue increased by 11%, primarily driven by higher power generation, expansion in Consultancy & Engineering Services, and improved billing under the standard Power Purchase Agreement with Ceylon Electricity Board, while profit before tax increased by 39%.

During the year, the Resus Group successfully commissioned a 5 MW solar power plant located in Damana, Ampara District. With this addition, Resus Energy now operates 11 utility-scale power plants across Sri Lanka, with a total installed capacity of 30 MW. The Group continues to expand its renewable energy portfolio, with a 1MW solar project in Pallekele currently under development and a 2MW solar project in Ampara at the approval stage. The Company is also pursuing international expansion, with its first proposed project in East Africa progressing well and currently in the advanced stages of approval.

In July 2025, Group raised Rs. 1 Bn through a listed, rated, senior unsecured redeemable green bond to invest in new solar projects and refinance existing debt, reinforcing its strategic push toward a greener and more resilient energy future.

| Area | Measure | 2024/2025 | 2023/2024 |
|---|---|---|---|
| Revenue | Turnover (Rs.Mn) | 1,241 | 1,119 |
| Profitability | Profit (Rs.Mn) | 215 | 374 |
| | Gross Profit Margin (%) | 69% | 79% |
| | Net profit Margin (%) | 17% | 33% |
| Working Capital Management | Current Ratio (Times) | 0.37 | 0.48 |
| Assets Utilization | Fixed Asset Turnover (Times) | 0.19 | 0.18 |
| Capital Structure | Gearing (%) | 59% | 60% |
| Investor Measures | EPS (Rs.) | 2.49 | 4.34 |
| | Dividend Payout Ratio | 40% | 29% |
| Growth | Capex as a % of Total Assets | 9.5% | 7.2% |




## REVENUE

During the year under review, the Group revenue increased by 11% to Rs. 1.2 Bn, up from Rs. 1.1 Bn in the previous year. This growth was primarily driven by higher electricity generation, revenue recognized under the Standardized Power Purchase Agreement, and the continued expansion of our Consultancy & Engineering Services segment.

Our fully owned hydropower plants supplied 47 Mn units (kWh) to the national grid which is a 1% increase compared to the last financial year of 46 Mn units (kWh). Despite varying rainfall patterns, our plants demonstrated strong reliability and efficiency. Our Solar plants have generated 16 Mn units (kWh) which is 18% increase compared to the 13.3 Mn units generated in the last financial year.

The Group's revenue portfolio remains well-diversified across operational sites, with the Mahiyanganaya Solar Power Project contributing the highest share of total revenue. Among our hydro plants, Karapalagama, Upper Magalganga, Upper Huluganga, and Giddawa recorded the highest revenue, reflecting their significant generation capacities and consistent operational performance.

Our Consultancy & Engineering Services segment generated Rs. 133 Mn, driven by an increased pipeline of contracted projects and the successful execution of engineering deliverables.

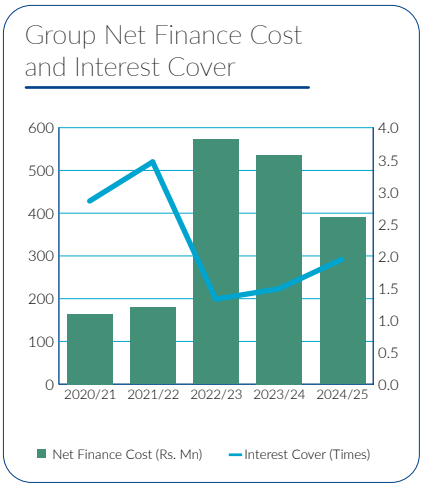
During the year, LKR 171 Mn was recorded under the Standardized Power Purchase Agreement, primarily reflecting interest on delayed payments from CEB. However, recent improvements in CEB's collection processes and internal restructuring have led to a significant reduction in invoice settlement delays.

Looking ahead, our strategic emphasis on asset optimization and expansion is expected to drive consistent and sustainable revenue performance.

## NET FINANCE COST

The group's net finance costs for the year decreased by 28% to LKR 390 Mn, compared to LKR 535 million in the previous year. This reduction is attributed to the repayment of a substantial portion of the Group's project debt, along with a decline in the AWPLR (Average Weighted Prime Lending Rate) during FY 2024/25. The AWPLR started the year at 10.69% in April 2024 and steadily decreased to 8.43% by March 2025. As of March 31, 2025, the group's total borrowings were Rs. 3,597 Mn, an increase of Rs. 141 Mn compared to the previous financial year. This increase was primarily driven by the issuance of commercial papers and refinancing facilities secured to support renewable projects.

According to Sri Lanka Accounting Standards, the interest directly attributable to construction has been capitalized as part of the project cost. A detailed breakdown of the group's borrowings can be found in note 12 of the financial statements.




## TAXATION

The Group tax expense consists of Income tax and Deferred taxes. Net tax expense stood at Rs. 155 Mn, compared to a net tax reversal of Rs. 109 Mn recorded in the previous year. This was mainly due to the deferred tax expenses. During the year, Subsidiary companies paid Rs. 15 Mn withholding tax on dividend payment to their parent Company. A reconciliation of the accounting profit with the tax expense is provided in note 22 of the financial statements.

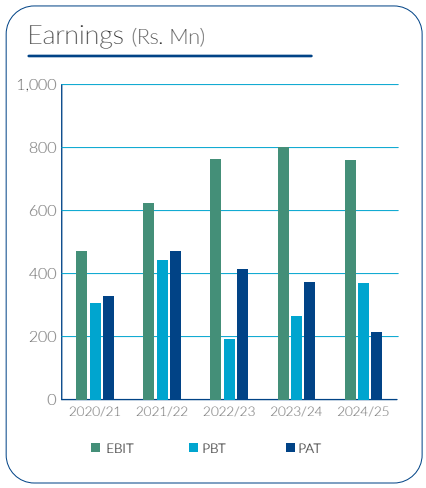
Resus Solar (Pvt) Ltd qualified for an enhanced capital allowance under the Inland Revenue Act No. 24 of 2017, leading to significant tax losses and the subsequent deferred tax reversal in the previous financial year.

Moragaha Oya (Pvt) Ltd, Upper Hulugaga (Pvt) Ltd, and Resus Energy PLC incurred income tax liabilities during the 2024/25 financial year. None of the group companies were required to pay Value Added Tax (VAT) and Social Security Contribution levy (SSCL) under the current provisions.

Detailed information about the tax rates and concessions for each power plant is available on page 157 in note 3.4 of the financial statements.

## PROFITABILITY

This review year demonstrated strong financial performance. The group's net profit before tax rose by 39%, reaching Rs. 369 mn, up from Rs. 265 mn the previous year. This growth was driven by revenue from our solar plants and construction services, reduction in interest expense and Billing under the standardized power purchase agreement with Ceylon Electricity Board. However, net profit after tax declined to Rs. 214 Mn from Rs. 373 Mn in the prior year. This decrease was largely attributable to higher tax expenses arising from deferred tax expenses associated with Resus Solar (Pvt) Ltd, which adversely impacted overall profitability. The Group achieved an operating profit before interest and tax (EBIT) of Rs. 800 Mn this year, compared to Rs. 801 Mn in the previous year, reflecting a slight decline mainly due to operating and construction-related costs incurred for the expansion of Resus Engineering's projects.




## GROWTH PERSPECTIVE

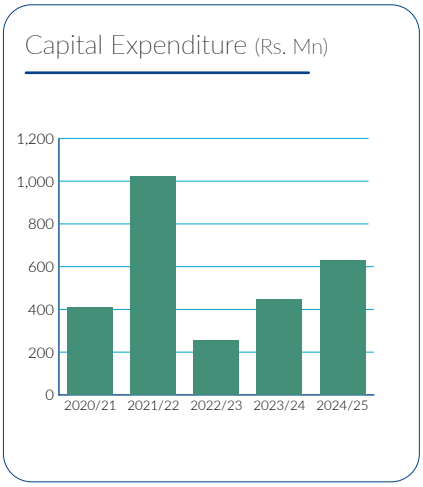
Resus Energy PLC is committed to driving inclusive and sustainable growth, delivering long-term value to all stakeholders by optimizing project development. By focusing on operational excellence and responsible project execution, we continue to expand our renewable footprint while minimizing environmental impact. During the year, the Group commissioned a 5 MW solar project in Damana and initiated two additional projects - a 1 MW solar plant in Pallekele and a 2 MW solar plant in Ampara which are expected to add a total of 3 MW to the Group's operational capacity in the next financial year. Resus Group is in the preliminary stages of obtaining approvals for potential renewable

# FINANCIAL CAPITAL

energy investments in East Africa, marking a strategic step in expanding its global presence and reinforcing its commitment to sustainable growth. Resus Engineering is expanding its service offerings and exploring new partnerships to drive growth in renewable energy infrastructure and consulting services. Additionally, the Group participated in multiple tenders and feed-in tariff proposals, with decisions currently pending. Our strategic initiatives focus on margin enhancement, cost optimization, and productivity improvement to drive operational efficiency and long-term growth.

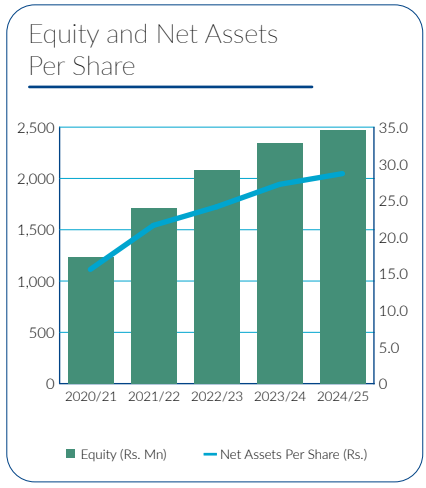
## INVESTMENTS AND CAPITAL EXPENDITURE

The Company invested in the construction of 5 MW solar PV project in Damana, in the Ampara District during the year. In addition, the Company invested in pre-construction work in a 1MW solar power project in Pallekele and a 2MW solar project in Ampara.




## NET ASSETS PER SHARE

The Group recorded a 5% increase in Net Assets Per Share, rising from Rs. 27.22 in the previous financial year to Rs. 28.69 in the current year. This growth was primarily driven by higher retained earnings. during the year. Despite the distribution of a cash dividend of Rs. 1.00 per share, the Group's retained earnings increased to Rs. 1.498Bn from Rs.1.371Bn. reflecting a balanced retention policy.




## CASH AND CASH EQUIVALENTS

As of the year end, cash and cash equivalents, after accounting for the bank overdraft, were negative Rs. 148 Mn, compared to a negative Rs. 222 Mn last year. The overdraft exposure was reduced by Rs. 37 Mn by the end of the financial year, from collections received from CEB. As a Group, we remain focused on enhancing available liquidity to strengthen our financial position and to support future growth opportunities within our core business.

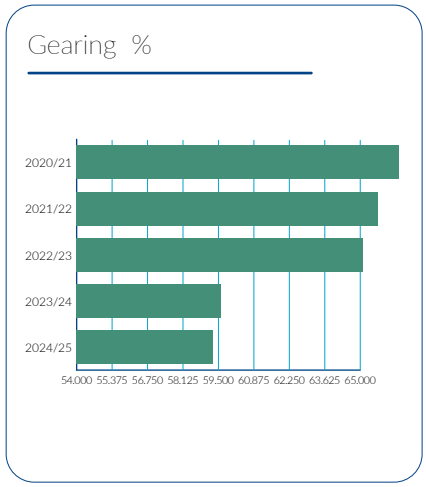
## CAPITAL STRUCTURE

### SHARE HOLDERS' FUNDS

Resus Energy PLC is committed to maintaining a resilient and strategically balanced capital structure that supports business growth and maximizes value creation, delivering both long-term and short-term returns to the shareholders. Funds attributable to the company's equity shareholders grew by 5%, reaching Rs. 2.4 billion, up from Rs. 2.3 billion in the previous year, driven primarily by profits earned during the year.

## GEARING

As at the reporting date, the Group's total assets were financed by 41% equity and 59% borrowings. The gearing ratio slightly improved to 59%, compared to 60% in the previous financial year, reflecting a marginal shift towards a more balanced capital structure.




## SHAREHOLDER RETURNS

### Earnings per share

The group's earnings per share stood at Rs. 2.49 in the financial year under review recording Rs. 1.84 downward movement compared to last year's Rs. 4.34.

## ECONOMIC VALUE ADDED (EVA)

Economic Value Added is a financial performance metric that calculates the

| As at 31st March | Group 2024/25 Rs. Mn | 2023/24 Rs. Mn |
|---|---|---|
| Bank overdraft | 212 | 248 |
| **Total Debt** | **3,597** | **3,457** |
| Surplus cash | 64 | 26 |
| **Net debt/(cash)** | **3,534** | **3,430** |
| Equity attributable to equity holders of the Parent | 2,472 | 2,346 |
| Non-controlling interest | - | - |
| **Total equity** | **2,472** | **2,346** |
| Capital employed (total debt + total equity) | 6,070 | 5,802 |
| Capital employed less surplus cash | 6,006 | 5,776 |
| **Total gearing (total debt / capital employed)** | **59.3%** | **59.6%** |
| **Net gearing (net debt/capital employed less surplus cash)** | **58.8%** | **59.4%** |

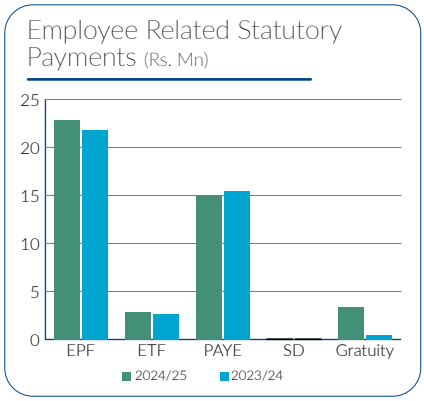
value a company generates from its invested capital. EVA is essentially the net profit a company earns above the minimum required return for its shareholders. This measure assesses the company's ability to create value for its investors.

### EVA = NET OPERATING PROFIT AFTER TAX – CAPITAL CHARGE

Economic profits mean the additional returns earned over and above the expected rate of return by the shareholders on their invested capital in the business. Economic profits attributable to the shareholders for the financial year under review stood at a positive Rs.33Mn.

## EMPLOYEE RELATED STATUTORY PAYMENTS

The group made the following statutory payments in relation to its employees on or before their respective due dates.




| | 2024/25 Rs. Mn | 2023/24 Rs. Mn | 2022/23 Rs. Mn | 2021/22 Rs. Mn | 2020/21 Rs. Mn | 2019/20 Rs. Mn |
|---|---|---|---|---|---|---|
| Net Operating Profit After Tax (NOPAT) | **605** | **909** | **953** | **653** | **495** | **358** |
| Capital Charge | **572** | **736** | **975** | **548** | **343** | **330** |
| EVA | **33** | **173** | **(23)** | **105** | **151** | **28** |
| NOPAT return on Capital Invested | **10.20%** | **15.45%** | **15.96%** | **15.71%** | **14.09%** | **11.83%** |
| Hurdle Rate of Return – WACC | **9.64%** | **12.51%** | **16.34%** | **13.19%** | **9.78%** | **10.90%** |
| Value Added/ (Shortfall) | **0.56%** | **2.95%** | **-0.38%** | **2.53%** | **4.31%** | **0.93%** |

## RESUS'S IMPACT ON THE ECONOMY

### ♦ JOB CREATION

By developing and maintaining hydro and solar power projects we were able to create numerous jobs, from the construction phase to ongoing operations and maintenance.

### ♦ ENERGY SECURITY

By diversifying the energy mix and reducing reliance on imported fossil fuels, we contribute to national energy security and stability.

### ♦ ENVIRONMENTAL BENEFITS

Our renewable energy sources reduce greenhouse gas emissions and pollution, leading to health benefits and reduced healthcare costs. This can indirectly benefit the economy by improving public health and productivity.

### ♦ COST SAVINGS

Over time, we as a renewable energy supplier will lower energy costs for consumers and businesses, as the marginal cost of solar and hydro power is low compared to fossil fuels.

### ♦ RURAL DEVELOPMENT

All our hydro and solar plants are in rural areas, bringing infrastructure improvements, job opportunities, and economic development to these regions.

### ♦ ADHERENCE AND SET STANDARDS

We comply with the regulations and guidelines established by project approving agencies and also self-monitor to ensure progress aligns with our own environmental management plan, promoting environmentally friendly practices.

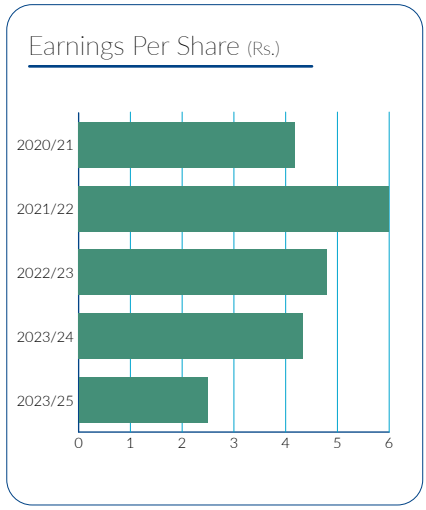
# FINANCIAL CAPITAL

## INVESTMENT IN HYDROPOWER AND SOLAR PROJECTS

As of March 31, 2025, our cumulative net investments in the renewable energy sector totaled Rs. 5.1 billion. During the year, the group invested Rs. 491 million in the development and construction of solar power plants (compared to Rs. 308 million in 2024).

## STATEMENT OF FINANCIAL VALUE ADDED

The financial value-added table below illustrates how the group distributes the financial value it creates among various stakeholders.




## MARKET CAPITALIZATION

As of March 31, 2025, our market capitalization was 2,283,897,916. For the full year under review, the group reported revenue of LKR 1.2 billion, net income of LKR 214 million, and basic earnings per share from continuing operations of LKR 2.49.

## CREDIT RATINGS

As of January 22, 2025, Fitch Ratings affirmed Resus Energy PLC's national long-term rating to A- (lka) from BBB (lka) with a Stable Outlook. The upgrade reflects the reduced risk of significant payment delays from Ceylon Electricity Board.

| As at 31st March | Group | | | |
|---|---|---|---|---|
| | **2024/25** | % | 2023/24 | % |
| | Rs. Mn | | Rs. Mn | |
| Revenue | 1241.31 | | 1,119.15 | |
| Other Income | 21.33 | | 14.34 | |
| Less: Operating Costs - cost of goods and services bought in | (85.17) | | (95.13) | |
| **Total Value Added** | **1,177.48** | **100%** | **1,038.36** | **100%** |
| | | | | |
| **Distribution of Value Added:** | | | | |
| Employees | 136.18 | 12% | 128.78 | 12% |
| Government | 57.35 | 5% | 30.71 | 3% |
| **Lenders** | **369.54** | **31%** | **512.15** | **49%** |
| Community | 0.85 | 0% | 0.48 | 0% |
| Shareholders | 86.18 | 7% | 107.73 | 10% |
| **Depreciation set aside** | **130.12** | **11%** | **115.13** | **11%** |
| **Economic Value Retained** | **397.26** | **34%** | **143.38** | **14%** |
| **Total Value Added** | **1,177.48** | **100%** | **1,038.36** | **100%** |
| | | | | |
| **Number of employees** | **103** | | **112** | |
| **Value Added per employee** | **11.43** | | **9.27** | |

following the improvement in the Ceylon Electricity Board's credit profile (CEB, A (lka)/Stable). Fitch Ratings has also affirmed the 'A- (lka)' rating on our LKR 1 billion senior listed unsecured redeemable green bonds.

## KEY ECONOMIC PARAMETERS AND THEIR IMPACT ON RESUS

The following economic parameters can significantly impact on the performance of Resus Energy PLC.

### EXCHANGE RATE

The Sri Lankan Rupee appreciated 2% against the United States Dollar from Rs. 305.33 as at 31st of March 2024 to Rs. 300.58 as of 31st March 2025.

| Impact on Resus | Impact Management |
|---|---|
| ♦ A reduction in project development costs was experienced due to the fact that most of the solar-related equipment is imported.<br>♦ Lower project costs improved Resus's ability to offer more competitive pricing in tenders | ♦ Monitor exchange rate trends regularly and align procurement plans to benefit from potential currency appreciation.<br>♦ Adjust the timing of payments to take advantage of favorable exchange rates.<br>♦ Consolidate multiple transactions into a single net transaction to reduce exposure.<br>♦ Maintain foreign currency deposits to benefit from fluctuations. |

### INTEREST RATE

The Average Prime Lending Rate (AWPLR) declined from 10.69% to 8.43% by March 31, 2025.

| Impact on Resus | Impact Management |
|---|---|
| ♦ Reduced finance costs & improved cash flow<br>♦ Favorable impact of company's profitability<br>♦ Enhanced refinancing opportunities<br>♦ Increased financial flexibility to support ongoing and new renewable energy projects. | ♦ Restructure existing debt at lower rates to secure more favorable terms.<br>♦ Maintain reserve funds to cushion the impact of higher interest payments.<br>♦ Enhances liquidity planning and optimizes capital structure for future investments.<br>♦ Invest in growth initiatives and capital projects using lower-cost financing to enhance returns. |

# FINANCIAL CAPITAL

## INFLATION

the end of March 2025, year-on-year headline inflation recorded a deflation of 2.6%. (0.9% in March 2024)
*(Source: Colombo Consumer Price Index (CCPI) (CCPI, 2021=100))*

| Impact on Resus | Impact Management |
|---|---|
| ♦ Lower costs associated with utilities, operations, and development activities tend to support improved margins on ongoing and future renewable energy projects. Stabilized inflation also makes it easier to maintain operational efficiency, manage costs strategically, and adhere to budgets. | ♦ Develop and regularly update comprehensive financial models to assess the impact of different economic scenarios, ensuring readiness for future inflation fluctuations.<br>♦ Strengthen financial controls to monitor cash flow and preserve liquidity.<br>♦ Build up cash reserves to ensure the company can take advantage of future investment opportunities or cushion against potential economic downturns. |

## GDP GROWTH RATE

GDP growth improved from 4.3% in the 4th quarter of 2023 to 5.4% by the end of the 4th quarter of 2024, reflecting continued economic recovery and strengthening macroeconomic fundamentals.

| Impact on Resus | Impact Management |
|---|---|
| ♦ Continued economic growth would increase the demand for renewable energy, underscoring the need for sustainable electricity solutions to support expanding industrial and consumer activity. This expansion will spur innovation and technological progress, thereby promoting fresh investments in renewable energy sources. Additionally, this growth will enhance investor sentiment and confidence in the renewable energy sector, supporting financing and refinancing efforts, particularly through green bond instruments. These developments will enable the company to explore new ventures domestically. | ♦ Continuing to expand the renewable energy portfolio through increased solar power investments.<br>♦ Exploration of cost-effective renewable technology alternatives to assess the viability of economical solutions.<br>♦ Leveraging green bonds and other financing instruments to secure capital for expansion and refinancing activities.<br>♦ Exploring new local and international partnerships to broaden the company's portfolio and expand its geographical footprint. |

## DEMAND FOR ELECTRICITY

Net generation and maximum demand recorded from January to October 2024 were 13,915 GWh and 2,673 MW, respectively, both marking an 11% decline compared to the same period in the previous year. CEB is planning to increase the renewable energy capacity up to 6,790 MW out of the total requirement (12,547 MW) by 2030. (Source: Progress Report 2024, Ministry of Energy)

| Impact on Resus | Impact Management |
|---|---|
| ♦ Sri Lanka has declared its policy of achieving 70% of electricity from Renewable Sources by 2030 and carbon neutrality by 2050. | ♦ Prioritize investments in renewable energy projects, particularly in solar, hydro, and other sustainable sources. ¬<br>♦ Enhance energy efficiency, promote grid integration, and foster innovation to accelerate the transition to a low-carbon economy |



# MANUFACTURED CAPITAL

**Manufactured capital is the backbone of our operations. Our advanced infrastructure and equipment drive reliable, sustainable energy delivery. Through ongoing investment and innovation, we strengthen our capacity, drive continuous improvement, and create lasting value for all stakeholders.**




## OPERATIONAL EXCELLENCE

At the core of our operational strategy lies a commitment to excellence, marked by the careful management of our hydropower and solar PV facilities. These plants are equipped with top-notch electromechanical equipment sourced from leading manufacturers in Europe and China. Our choice of suppliers reflects our dedication to reliability and efficiency, with components crafted with precision and expertise from China, Germany, Italy, Austria, and the United Kingdom.

Beyond simply generating electricity, we prioritize environmental sustainability and national energy security. By harnessing renewable resources like water and sunlight, we not only power homes and businesses but also reduce our reliance on fossil fuels. We adhere to the guidelines and regulations outlined in SPPAs and ensure compliance with safety standards during the construction and operation of our power plants.



Our commitment doesn't end with construction; it extends to the ongoing maintenance of our infrastructure. We follow a careful schedule of preventive maintenance at our power plants, which involves regular inspections and proactive repairs to keep everything running smoothly. By conducting maintenance during the off season, we minimize disruptions to power generation and avoid unnecessary downtime.

The maintenance intervals are guided by detailed instructions in the manufacturer's maintenance manual. Preventive maintenance activities are predominantly scheduled during the off season,

Furthermore, we conduct critical inspections of the equipment for hydropower plants, following periods of high rainfall. These inspections aim to evaluate the condition of key components, including turbines, generators, penstocks, and civil constructions. By thoroughly assessing these elements, we ensure

## MANUFACTURED CAPITAL





that potential issues are identified and addressed promptly, thereby maintaining the reliability and efficiency of our power plants.

To establish reliable connections between our plants and the national grid, we voluntarily assist CEB on maintenance and troubleshooting of transmission lines to fortify their overall reliability. In areas where power outages are frequent, we have taken voluntary measures to restore line failures swiftly and effectively.

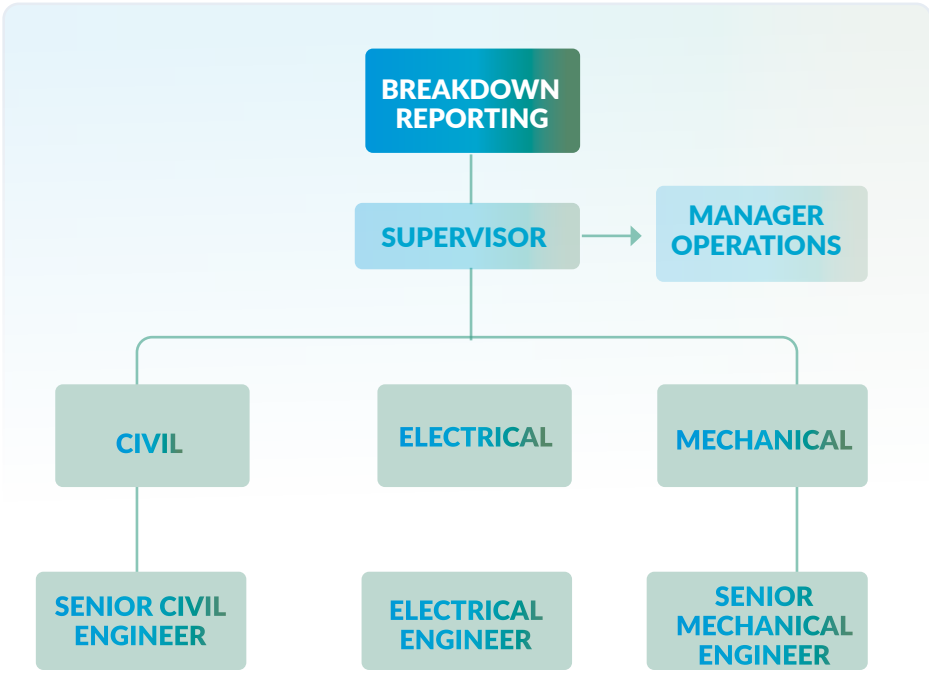
At certain locations, we have at our own expense deployed teams to assist detecting causes and restoration of line failures.

### MANAGING RISKS

Our approach to risk management is robust, aimed at shielding our power plants from various potential threats. We have taken proactive steps by obtaining commercial insurance coverage for all our power plants to address risks linked to natural hazards, fires, riot and strike and malicious damage to our infrastructure, machinery and other assets. Additionally, we maintain an inventory of spare parts for essential electromechanical components, ensuring quick resolution of operational challenges and preventing disruptions to our operations.

The policy of safeguarding the assets of the Group is well-inculcated across our operation with equal emphasis on employee engagement. To this end, we have established a skilled in-house engineering team entrusted with ensuring the smooth functioning of our assets. Furthermore, we have devised a clear disaster management protocol, with clear responsibilities and reporting lines to ensure swift responses during crises.

At each power plant, supervisors take on the critical responsibility of overseeing daily operations and spearheading ongoing enhancements through innovative approaches. Also, our dedicated engineers frequently visit our sites, actively participating in operational assessments and assisting in achieving controllable downtime objectives. This





coordinated effort enables management early issue detection and proactive interventions, ensuring optimal plant performance at all times.

Our incident management process also allows staff members to promptly report any breach of security or risk to any asset to the Operations Manager for immediate action.

To enhance our technical capabilities, we have expanded our in-house engineering team by recruiting additional electrical engineers and qualified plant supervisors. We have also implemented a structured engineering division and troubleshooting system, deploying experts to each power plant cluster for speedy troubleshooting and maintenance. Adequate allocation of financial and other resources guarantees smooth troubleshooting processes, minimizing downtime and optimizing operational efficiency.

## RECENT UPGRADES AND ACHIEVEMENTS

During the year, we upgraded our manufactured capital as follows:

- Rewound the generator at the Gomale Oya plant.
- Installed and replaced synchronizing breakers in plants where needed, especially those at end-of-life or at risk of defects.
- Continuously updated and maintained our inventory of essential spare parts to ensure reliable operations and minimize downtime.
- Performed dry ice cleaning on generators requiring service.
- Conducted comprehensive testing on transformers and generators, including checks of oil and coil insulation.
- Commissioned the Damana solar project.
- Expanded our engineering capacity by providing consulting and project development services to external parties.

These improvements have further strengthened our operational reliability, and we remain focused on making additional advancements in the coming year.





# SOCIAL AND RELATIONSHIP CAPITAL

**Resus actively shares the benefits of its corporate growth with employees, society, suppliers, customers, and other key stakeholders, aiming to foster a collaborative and sustainable business environment. Recognizing the value of social and relationship capital, the company has implemented strategic initiatives to position itself as a leading and responsible corporate citizen.**

## CUSTOMERS

| GRI | 416-2 | 418-1 | 419-1 |
|---|---|---|---|
| 201-4 | 203-1 | | |

The Ceylon Electricity Board (CEB) is our main customer, and over time, we have established strong working relationships with its management and personnel at various levels. CEB recognizes our vital role in supporting the national agenda to expand non-conventional renewable energy sources. Through our small hydropower and solar power plants, we make a meaningful contribution to the national grid. In return, we receive payments based on the agreed tariffs and terms outlined in our Standardized Power Purchase Agreements (SPPAs) with CEB. Table 1 and 2 outline the grid interconnection points of our wholly owned Hydro and Solar power plants, along with the electricity units supplied to the CEB during the last two financial years.

*Table 1: Electricity units generated*

| Powerplant Name | 2023/24 (kWh Units) | 2024/25 (kWh Units) |
|---|---|---|
| Giddawa MHPP | 8,146,794 | 8,979,182 |
| Gomale Oya MHPP | 2,777,384 | 1,764,907 |
| Karapalagama MHPP | 6,559,350 | 6,957,160 |
| Magalganga MHPP | 6,816,837 | 6,938,073 |
| Mahiyanganaya SPP 6 MW | 9,161,200 | 10,559,641 |
| Moragaha Oya MHPP | 5,114,193 | 5,586,166 |
| Ranwala Oya MHPP | 3,582,011 | 3,480,278 |
| Siyambalanduwa SPP 1 MW | 896,860 | 1,829,210 |
| Siyambalanduwa SPP 2 MW | 3,207,449 | 3,202,580 |
| Upper Agra Oya MHPP | 8,260,783 | 7,509,988 |
| Upper Huluganga MHPP | 5,204,297 | 5,473,138 |
| Damana SPP 5 MW | - | 41,400 |

## GOVERNMENT INSTITUTIONS

The Group maintains regular engagement with various government institutions that serve as our project approval authorities. Key agencies we closely collaborate with include:

- Sustainable Energy Authority
- Ceylon Electricity Board
- Public Utilities Commission of Sri Lanka
- Central Environmental Authority
- Irrigation Department
- National Water Supply and Drainage Board
- Forest Department
- Department of Wildlife Conservation
- Divisional Secretariat Offices
- Local Government Authorities
- Board of Investment of Sri Lanka
- Telecommunications Regulatory Commission of Sri Lanka
- Sri Lanka Customs

Our interactions with these government bodies are guided by ethical principles and governed by responsible, transparent policies and procedures. We are committed

# SOCIAL AND RELATIONSHIP CAPITAL

to ensuring that all projects are developed and operated in full compliance with the conditions set out in the relevant approvals. Furthermore, we actively contribute to initiatives and causes that support the missions of these agencies.

*Table 2 CEB interconnections of each project*

| Project | CEB inter-connection point | CEB regional office |
|---|---|---|
| Giddawa MHPP | Ukuwela, Matale | Kandy |
| Upper Magalganga MHPP | Dikellakanda , Deraniyagala, | Ratnapura |
| Upper Agra Oya MHPP | Henfold Estate, Lindula, | Nuwara Eliya |
| Gomale Oya MHPP | Dikellakanda, Deraniyagala | Ratnapura |
| Moragaha Oya MHPP | Ukuwela, Matale, | Kandy |
| Ranwala Oya MHPP | Maliboda, Deraniyagala | Ratnapura |
| Upper Huluganga Oya MHPP | Ukuwela, Matale | Kandy |
| Siyambalanduwa SPP | Mahagalugolla, Siyambalanduwa | Ampara |
| Mahiyanganaya SPP | Dehigolla, Mahiyanganaya | Mahiyanganaya |
| Ampara SPP | Damana, Ampara | Ampara |

In line with current tax regulations, imported electromechanical equipment used in hydropower projects covered under SPPAs with the CEB are exempt from VAT and NBT. We strictly adhere to the terms outlined in the SPPAs and comply fully with all safety regulations related to the construction and operation of our power plants. As a matter of policy, we maintain high ethical standards and integrity in all our dealings, including our relationship with the CEB and other stakeholders.

## TAXES AND LEVIES TO THE GOVERNMENT

| GRI | 3-3 | 207-1, 2, 3 |
|---|---|---|

The Group complies with the provisions of the Inland Revenue Act No. 24 of 2017 in respect of income tax on its business operations and other earnings.

While hydro power plants within the Group operate as BOI-registered companies, the tax exemptions previously granted have now lapsed. To ensure accurate and timely compliance, the Group has engaged a reputed professional tax consultancy service.

Strong internal controls are in place to safeguard adherence to tax regulations, with oversight provided by the Board's Audit and Risk Committee. The finance team also maintains proactive engagement with tax authorities to promptly resolve any matters that may arise.

## SUPPLIERS AND CONTRACTORS

| GRI | 3-3 | 102-9 |
|---|---|---|

Our engagement with suppliers goes beyond transactional supply agreements.we focus on building long-term partnerships grounded in trust, loyalty, and shared values, fostering sustainable business outcomes for all parties involved. We are committed to ensuring that these relationships remain mutually beneficial, while upholding professionalism, transparency, and fairness to support consistent operational excellence.

**Supplier Selection and Evaluation Criteria:**

- Adherence to technical specifications
- Competitive pricing
- Proven reliability
- Adequate production and delivery capacity
- Compliance with applicable laws and regulations
- Possession of relevant licenses, certifications, and industry standards
- Commitment to sustainable sourcing of raw materials
- Conformance to environmental and social requirements
- Fair labor practices
- Ethical business behavior
- Implementation of health and safety standards at project sites
- Respect for human rights and related legal frameworks

## OVERSEAS EQUIPMENT SUPPLIERS




Our first electromechanical equipment supplier, WKV from Germany, who supported the Giddawa hydropower project in 2008, continues to collaborate with us, submitting bids for new projects and offering ongoing maintenance support for our operational plants. To foster strong relationships and build mutual confidence, our team regularly visits overseas suppliers and hosts them at our project sites whenever possible. Although such visits were limited during the COVID-19 pandemic, we successfully maintained these strong partnerships. The table 3 outlines the value of orders placed with our overseas electromechanical suppliers.

# SOCIAL AND RELATIONSHIP CAPITAL

*Table 3 Powerplant and suppliers*

| Powerplant Name | Supplier and country | Amount (Rs millions) | Year of investment |
|---|---|---|---|
| Giddawa MHPP | WKV-Germany | 138 | 2008/09 |
| Gomale Oya MHPP | Zeco-Italy | 78 | 2015/16 |
| Karapalagama MHPP | Lanzu International - China | 86 | 2018/19 |
| Upper Magalganga MHPP | GHE-Austria | 106 | 2011/12 |
| Mahiyanganaya SPP 6 MW | JA Solar International Limited – China<br>JinkoSolar Holding Co., Ltd - China<br>Das Solar Co., Ltd - China<br>Huawei Technologies Co., Ltd -China | 416 | 2020/21<br>2023/24 |
| Moragaha Oya MHPP | Gugler-Austria | 82 | 2015/16 |
| Ranwala Oya MHPP | Lanzu International - China | 30 | 2017/18 |
| Siyambalanduwa SPP 2 MW | Trina Solar Energy Pvt Ltd – Singapore<br>Sungrow-India | 108 | 2018/19 |
| Siyambalanduwa SPP 1 MW | JA Solar International Limited – China<br>Huawei Technologies Co., Ltd -China | 139 | 2021/22 |
| Upper Agra Oya MHPP | Gilkes, United Kingdom. | 106 | 2009/10 |
| Upper Huluganga MHPP | Zeco-Italy | 81 | 2016/17 |
| Ampara 5 MW SPP | Jinko Solar CO. Ltd - China<br>Das Solar Co., Ltd - China<br>Huawei Technologies Co., Ltd -China | 218 | 2024/25 |

## LOCAL SUPPLIERS

| GRI | 204-1 | 308-1 | 308-2 | 408-1 |
|---|---|---|---|---|
| 409-1 | 414-1 | 414-2 | | |

Resus collaborates with local suppliers for civil construction activities across its projects, thereby contributing indirectly to the country's economic development. When selecting local civil contractors, Resus prioritizes not only the quality of work, reliability, competitive pricing, and commitment, but also alignment with our core values.

At Resus, we are committed to fostering win-win partnerships that create mutual value within a compliant and responsible working environment. We promote a culture of open communication with both local and international suppliers and ensure that any issues or disputes are addressed promptly and diplomatically.

Supplier relationships form a vital part of Resus' overall relationship capital. Our suppliers consistently demonstrate their confidence in us by repeatedly engaging in supply and construction contracts with the Resus Group. To date, there have been no significant actual or potential negative impacts related to society, the environment, labor practices, or human rights within our supply chain.

## STRENGTHENING HEALTHCARE ACCESS: DONATION TO APEKSHA HOSPITAL – MAHARAGAMA

At Resus we believe that long-term value creation stems not only from economic success but also from nurturing strong, meaningful relationships with our communities. Our social initiatives are driven by the desire to make a tangible difference in people's lives, especially in critical areas such as health and well-being.

In line with this commitment, on 31st May 2024, Resus extended a donation of vital medical supplies to the National Cancer Institute – Maharagama (commonly known as Apeksha Hospital), the country's leading center for cancer treatment and care.

This initiative aimed to support the hospital's ongoing efforts in delivering life-saving treatment to thousands of patients from across Sri Lanka.

Our team had the honor of personally visiting Apeksha Hospital to hand over these supplies to the medical staff. During the visit some of our team members partiicipated in blood donation compaign.

We view this gesture as a step toward building trust, fostering public–private collaboration, and contributing to the broader goal of a healthier Sri Lanka.

### Handover Ceremony



*Representatives of Resus Energy PLC officially handing over the medical supplies to senior staff members of Apeksha Hospital, Maharagama.*

### Resus Energy PLC Staff at Donation Venue



*Resus Energy PLC team present at the Apeksha Hospital premises during the official handover of the medical donation.*



## LOOKING AHEAD

We will continue to explore avenues through which we can uplift public institutions, empower communities, and create value that extends beyond business. Our partnership with Apeksha Hospital marks one of many steps in a longer journey of compassion, care, and shared progress.

## COMMUNITIES

| GRI | 413-1,2 | 203-1,2 |
|---|---|---|

At Resus, empowering the communities in which we operate and supporting their livelihood development is a core principle. We maintain active engagement with local communities throughout both the project development and operational phases, building strong relationships founded on mutual trust and shared benefits. In line with our Code of Ethics, we are committed to honesty and integrity, ensuring that we make only genuine commitments and always follow through on our promises.

Community members often show strong interest and involvement during project development, and our teams frequently interact with them as part of daily operations. We also create employment opportunities for residents during the construction phase and offer permanent roles once the projects become operational. During the year, we employed several female workers from the surrounding area at the Ampara Solar Power Project, with the aim of empowering

## SOCIAL AND RELATIONSHIP CAPITAL

them to support their families and advance their personal development as working professionals.

We consistently monitor and evaluate the impact of our operations on local communities and have implemented measures to prevent or minimize any potential adverse effects. During the reporting period, there were no significant actual or potential negative impacts on local communities resulting from our business activities.

*Table 4 Annual harvest at powerplants (Kg)*

| Power Plant Name | Amount(Kg) |
|---|---|
| Gomale Oya MHPP | 30.5 |
| Magal Ganga MHPP | 340 |
| Moragaha Oya MHPP | 157.5 |
| Huluganaga MHPP | 57.5 |
| Giddawa MHPP | 82.4 |
| Ranwala Oya MHPP | 6 |
| Karapalagama MHPP | 77.5 |



*Farming project - Agra oya mini hydro power plant*





*We distribute and sell the harvested vegetables to local markets*





*Harvest from Greenhouse farming at Gomale oya hydro power plant*

*Table 5 Compliance and status*

| Measure of Compliance | Status |
|---|---|
| Negative environmental impacts in the supply chain and actions taken | No incidents of non-compliance during the year |
| Operations and suppliers at significant risk for incidents of forced or compulsory labor | No incidents of non-compliance during the year |
| Operations with significant actual and potential negative impacts on local communities | No incidents of non-compliance during the year |
| Negative social impacts in the supply chain and actions taken | No incidents of non-compliance during the year |
| Incidents of non-compliance concerning the health and safety impacts of products and services | No incidents of non-compliance during the year |
| Substantiated complaints concerning breaches of customer privacy and losses of customer data | No incidents of non-compliance during the year |
| Non-compliance with laws and regulations in the social and economic area | No incidents of non-compliance during the year |

## ETHICAL BUSINESS CONDUCT

| GRI | 102-16 | 205-1,2,3 |
|---|---|---|

Our values and corporate culture are deeply rooted in ethical principles, with a strong commitment to conducting all business activities with honesty, integrity, and respect for the rights of all stakeholders. Employees are encouraged to act with consideration for both people and the planet, ensuring that the interests of local communities are protected and the natural environment is preserved wherever possible.

All employees receive a copy of our Code of Ethics, and we regularly conduct awareness sessions to reinforce our core values. Ethical compliance is monitored through a variety of formal and informal mechanisms, including a whistleblowing policy that encourages reporting of misconduct at all levels. We believe this approach promotes responsible behavior among employees and contributes positively to the Group's corporate reputation. During the reporting period, there were no reported incidents of corruption, violations of the Code of Conduct, or deviations from our values.

## COMPLIANCE

| GRI | 308-2 | 408-1 | 409-1 | 413-2 |
|---|---|---|---|---|
| 416-2 | 418-1 | 419-1 | | |

Resus Energy PLC is a steadfastly law-abiding corporate entity, placing a high priority on legal compliance. For both development projects and operational business units, we strictly adhere to established protocols to identify all applicable legal requirements. We actively monitor and document updates to regulatory frameworks and conduct regular awareness sessions to educate employees, ensuring full compliance across the organization.

*Table 6 Spent on CSR activities*

| Plant Name | Amount (LKR) |
|---|---|
| Agra Oya MHPP | 35,000 |
| Gomale Oya MHPP | 2,000 |
| Magal Ganga MHPP | 63,000 |
| Moragaha Oya MHPP | 40,270 |
| Huluganaga MHPP | 25,500 |
| Karapalagama MHPP | 70,100 |
| Mahiyanganaya SPP | 92,000 |
| Siyambalanduwa SPP | 5,000 |
| Head Office | 109,067 |

## DISCRETIONARY RESPONSIBILITY

The philanthropic aspect of our social responsibility includes discreet or low-profile donations and contributions to meaningful causes. Our support is primarily directed toward initiatives aimed at enhancing the quality of life for rural communities located near our operational power plants and project development sites. These included assistance for religious events, youth empowerment programs, and educational support for children.



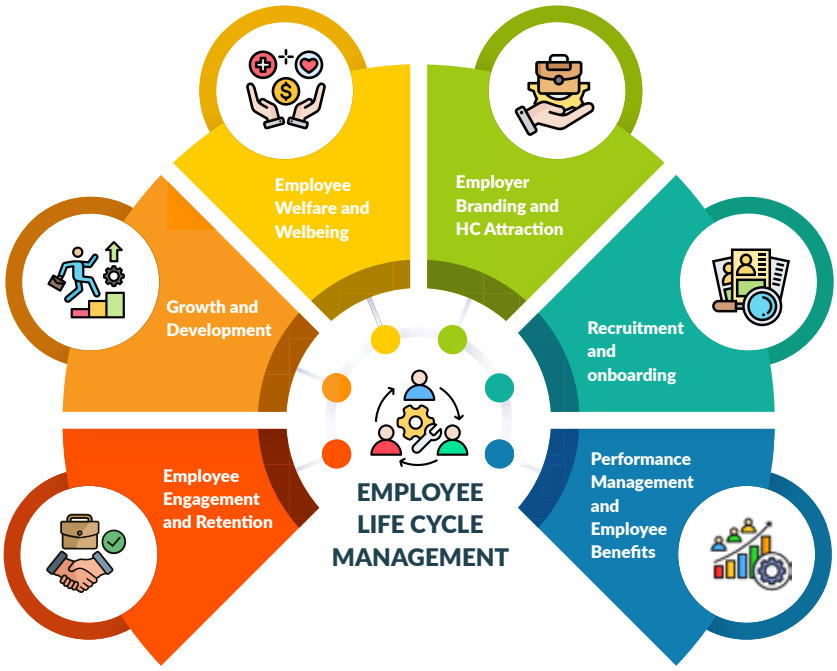
# HUMAN CAPITAL

**At Resus Energy PLC, we view Human Capital as the cornerstone of our business, essential for driving organizational success and growth. Our team's unwavering commitment propels us toward achieving our goals, while our diverse skills, knowledge, and perspectives strengthen our collective capabilities.**

## OUR APPROACH

Resus is dedicated to prioritizing the well-being of its employees, understanding that their satisfaction is key to organizational success. Our Human Resources division follows a structured approach, supported by comprehensive policies that effectively address all employee-related concerns.

Our goal is to cultivate a supportive work environment where every individual feels valued, encouraged, and empowered to make meaningful contributions. We believe that our people are our greatest asset, and our HR practices are centered around fostering employee satisfaction, engagement, productivity, empowerment, and personal growth. Together, we are committed to leading the way in the transition to a sustainable energy future.




## OUR TEAM

As of 31st March 2025, staff strength of Resus is 108 - a headcount optimally sufficient to maintain operational effectiveness without compromising workforce diversity or capability. The company's workforce profile remains balanced in terms of age, gender, and role distribution, reflecting our commitment to inclusivity. Staff composition is broadly distributed, with a healthy mix of new recruits and long-standing employees who contribute to institutional knowledge and stability.

## WORKFORCE OVERVIEW

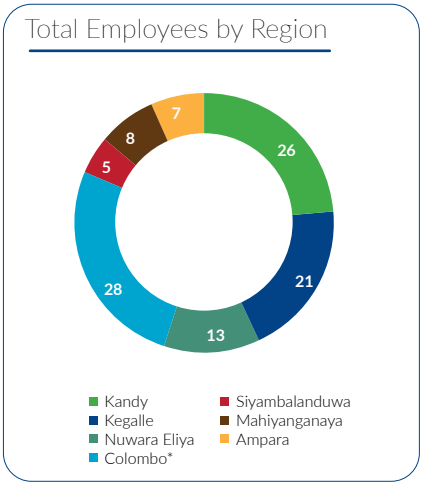
| GRI | 405-1 |
|---|---|

In the year of consideration, Resus's commitment to diversity goes beyond representation; it's a strategic driver of innovation, creativity, and sustainable growth. Building on prior efforts, our recruitment strategy embraces diverse talent pools and inclusive hiring practices to ensure every employee feels valued and respected. Our workforce demographics remains robust with a good balance in age, gender, ethnicity and locality.

| Category | Age | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | < 30 | | 30-50 | | 50< | | |
| | M | F | M | F | M | F | |
| Board of Directors | - | - | 1 | - | 4 | 1 | 6 |
| Senior Management | - | - | 3 | 2 | 2 | - | 7 |
| Middle Management | - | - | 1 | - | - | - | 1 |
| Executives | 3 | 5 | 1 | - | 1 | - | 10 |
| Supervisory Staff | - | - | 5 | - | 4 | - | 9 |
| Technical Staff | 5 | - | 1 | - | - | - | 6 |
| Power Plant Staff | 3 | 1 | 44 | 5 | 13 | - | 66 |
| Other Non-Executives | - | - | 1 | - | 2 | - | 3 |
| **Total** | **11** | **6** | **57** | **7** | **26** | **1** | **108** |

## EMPLOYEE DIVERSITY

Resus workforce is distributed strategically across key regions to support operations and community engagement.




This geographic distribution ensures efficient operational coverage while supporting local employment and community development initiatives.

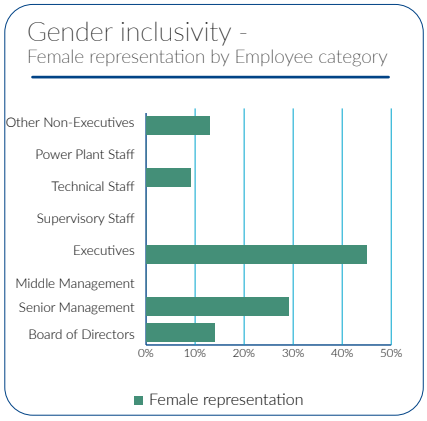
Our recruitment policy places special emphasis on hiring from local communities, with 81% of power plant staff drawn from these areas. This not only supports social equity but also deepens our engagement with the regions we operate in.

EMPLOYMENT OFFERED TO LOCAL COMMUNITIES

**81%**

## GENDER INCLUSIVITY

At Resus, fostering gender inclusivity is a priority, and female representation spans across various employment categories.




The encouraging representation of women despite of certain practical challenges inherited to the industry, reflects our commitment to employee diversity and gender equality.



## RETAINING TALENT

GRI 401-1

Resus focuses on retaining employees through a combination of recognition, career development opportunities, employee well-being initiatives, and a supportive work environment. Key activities include performance-based rewards, professional trainings, and social engagement events to boost morale. Additionally, flexible work arrangements and robust health and safety practices ensure employee satisfaction. By prioritizing these areas, Resus Energy maintains a stable and motivated workforce.

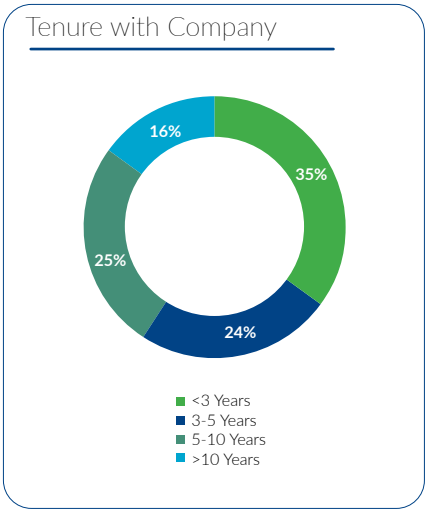
In 2024/2025, the employee retention rate remained stable at 81.5%, with most departures occurring within the Power Plant Staff category due to regional employment dynamics. To address this, we

# HUMAN CAPITAL

have strengthened local engagement and career advancement initiatives.

EMPLOYEE RETENTION RATE 2024/25
**81.5%**

Our tenure distribution reflects a balanced workforce, with a significant proportion of employees having been with the company for more than five years. This stability highlights the effectiveness of our retention efforts and the positive work culture fostered at Resus Energy.

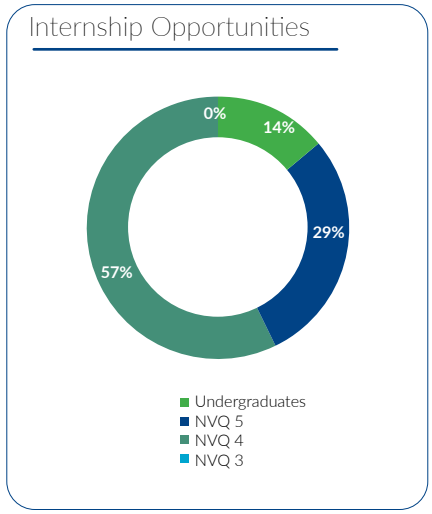



## EMPOWERING FUTURE TALENT THROUGH INTERNSHIP OPPORTUNITIES

GRI 2-8

At Resus, we are committed to nurturing the next generation of professionals by providing meaningful opportunities to young talent from universities and vocational institutes. In 2024/2025, we offered internship placements to seven aspiring individuals, enabling them to gain hands-on experience within the energy sector.

This initiative not only supports the professional development of interns but also contributes to societal benefit by equipping them with practical skills and industry knowledge. By fostering academic collaboration and supporting vocational training, we strengthen our commitment to social responsibility while building a pipeline of skilled professionals who may become future contributors to the energy sector.




Through these internships, we actively bridge the gap between academic learning and real-world applications, empowering students to gain practical insights and build competencies that align with industry standards. This program reflects our dedication to investing in human capital, not just within our organization but within the broader community.

## PERFORMANCE MANAGEMENT

GRI 404-2

Performance management at Resus Energy PLC is a vital tool for ensuring employees' efforts align with the company's strategic goals. At the start of each year, clear and measurable objectives are set collaboratively between employees and their supervisors, establishing a solid foundation for performance expectations.

Mid-year reviews are conducted to evaluate progress, identify challenges, and adjust goals if necessary, providing timely feedback that helps employees to stay on track. The year-end evaluation offers a comprehensive assessment of achievements and competencies, recognizing successes and highlighting areas for further development.

By integrating regular evaluations with performance-based rewards and personalized development plans, Resus Energy fosters a culture of continuous improvement and motivation. This structured approach ensures a skilled and engaged workforce committed to driving the organization's sustainable growth.

## TRAINING AND DEVELOPMENT

GRI 404 - 3

In 2024/2025, Resus prioritized employee development as a cornerstone of long-term success and operational excellence. A strategically aligned training framework was implemented to meet current operational needs while building future-ready capabilities that support innovation, sustainability, and industry leadership.

TOTAL TRAINING HOURS
**417**

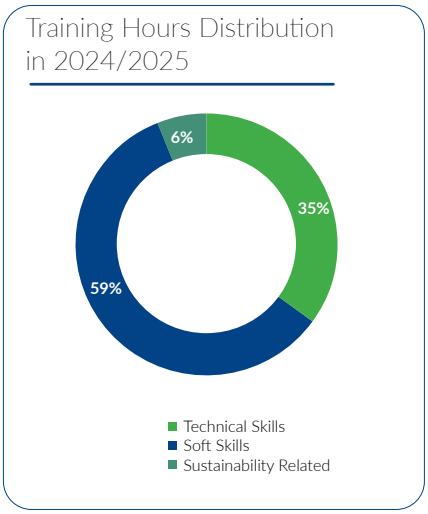
INCREASE IN TRAINING HOURS
**121%**

TRAINING BUDGET PER HEAD
**3253**

A dual-focus approach was adopted- enhancing both technical skills and essential soft skills such as leadership, communication, adaptability, and teamwork.

To assess the effectiveness of training, pre- and post-training evaluations were introduced, allowing data-driven improvements. Partnerships with institutions such as NAITA and the HNDE program enabled employees to earn recognized qualifications, boosting technical credibility and career advancement.

Looking ahead, the company plans to expand training efforts, adopt tech-driven learning platforms, and strengthen academic and industry partnerships to support continuous employee growth and organizational success in the dynamic energy sector.




## EMPLOYEE BENEFITS AND WELFARE

| GRI | 401- 2 |
|---|---|

Resus Energy PLC believes that taking care of its employees goes beyond the workplace - it's about enhancing their quality of life and supporting their personal and professional growth. Acknowledging this, Resus offers a comprehensive range of benefits designed to motivate, inspire, and foster a sense of belonging within the organization.

From performance-based bonuses and incentives to health insurance, gym and professional memberships - our offerings are tailored to boost morale and create a positive work environment. By investing in our people, we not only enhance productivity but also strengthen the bond between our employees and the company.

We also recognize that the well-being of staff families impacts employee satisfaction.To support our staff beyond the workplace, we provide welfare initiatives such as giving annual stationery packs for the children of power plant staff and funeral endowments. These gestures demonstrate our commitment to standing by our employees and their families when it matters most. Further Resus organizes events for family get togethers so that the unity, belongingness and the loyalty is extended to the family level.



Promoting holistic well-being is a core part of our strategy. Resus has introduced a corporate with a gym membership program that grants employees access to state-of-the-art fitness facilities and professional guidance in maintaining the physical fitness. This initiative addresses the challenges of sedentary work life, helping employees stay physically active, manage stress, and maintain overall health.



# HUMAN CAPITAL



*Staff Physical wellness program*

Resus also prioritizes mental and social wellness through engaging initiatives. Mental health workshops offer valuable coping strategies and stress management techniques, while social events like games nights, movie nights, and staff day-outs foster strong interpersonal connections and team spirit.







*Corporate Bonding events with families*

## EMPLOYEE HEALTH AND SAFETY

GRI 403-2

At Resus, the health and safety of our employees is not just a policy-it is a core value deeply embedded in our daily operations. We recognize that a safe work environment is fundamental to employee well-being, productivity, and overall organizational success. Hence we implement comprehensive safety measures across all our sites, from corporate offices to high-risk power plants and construction zones.

Our approach includes providing all employees with the necessary personal protective equipment (PPE), such as helmets, boots, and safety harnesses, which are mandatory in designated areas. Beyond equipment, we enforce strict safety protocols and conduct regular inspections to ensure these standards are maintained consistently.

Procedural steps taken for the elimination of hazards and minimization of health and safety risk are given in Table 1.1.



Table 1.1 - Procedural steps taken for the elimination of hazards and minimization of health and safety risk

| | Planning step | Reference document |
|---|---|---|
| 1 | Identification of Issues for each operations/location | Issue log |
| 2 | Hazard identification and risk assessment for operations. | HIRA |
| 3 | Identification of significant hazards using a criterion considering the list of Issues prepared in step 1 and the incident investigations details in the reference documents described in step 7 | HIRA |
| 4 | Identification of action to address the significant health and safety hazard. | Lis of actions to address risk and opportunities |
| 5 | Implementation of identified actions | Site Specific Environmental Social Health and Safety Plan (SSESHS)Management Plan for the construction projects and Environmental Social Health and Safety (ESHS) Management Systems for operational power plant. |
| 6 | Monitoring and evaluation of progress of the implementation and the result | Inspection report, Inspection annual Summery report, internal report, meeting minutes |
| 7 | Incident investigation | Inspection reports, Meeting minutes |
| 8 | Follow the step 1 to 6 annually or for any critical / significant incident | Updated reference documents from the step 1-6 |

Quality of the health and safety services are periodically reviewed and assessed at HR meetings, Supervisor meetings, and Management meetings to ensure the effectiveness and functionality of the health and safety measures by the organization. Such review sessions are inclusive of active worker participation, consultation, and communication on occupational health and safety to promote the safe work environment and embarking a health and safety culture.

All employees working in power plants and the construction sites, including the external contractors are required to adhere to the Site Specific Environmental Social Health and Safety Plan (SSESHS)

Table 1.2 contains controls implemented in the operational power plants and the constriction projects for the identified hazard categories in HIRA

Table 1.2 Implemented Controls

| | Hazard | | Control/Preventive method Implemented |
|---|---|---|---|
| | Source /Situation/Act | Possible Consequence | |
| 1 | Work at height | Death/ Permanent /Temporary disabilities/Injury | • Provide PPEs<br>• Provide Safety Harness<br>• First aid box<br>• Training and Awareness |
| 2 | Working with electricity | Death/ Permanent /Temporary disabilities/Injury due to electrocution | • Provide Electrically proof PPEs<br>• Training and Awareness.<br>• First aid box |
| 3 | Work in high noisy area | Hearing issues | • Provide hearing guard |
| 4 | Fallen to water | Death/ Injury | • Provide safety ring<br>• Handrails<br>• First aid box |
| 5 | Work with electricity and inflammable material. | Burning due to firing and electrocution. | • Fire extinguishers<br>• Evacuation plan<br>• Handrails<br>• Firefighting training |
| 6 | Snake bite | Death | • First aid box<br>• Training and Awareness. |
| 7 | Work with machineries and tools | Death/ Permanent /Temporary disabilities/ Injury | • Provide PPEs<br>• First aid box<br>• Tool box meeting and Awareness.<br>• Test of applicable machineries |

## HUMAN CAPITAL

Assessments conducted for machines and equipment during the year of focus

| | Power plant | Tested Machine/ Equipment/Project component | Tested by |
|---|---|---|---|
| 1 | Giddawa Mini hydropower project | Two transformers | Electrical Engineer of a certified engineering company |
| 2 | Giddawa Mini Hydropower project | Two Generators | Electrical Engineer of a certified engineering company |
| 3 | Moragaha oya Mini hydropower project | Two transformers | Electrical Engineer of a certified engineering company |
| 4 | Moragaha oya Mini hydropower project | Two Generators | Electrical Engineer of a certified engineering company |
| 5 | Upper Huluganga Mini hydropower project | Two transformers | Electrical Engineer of a certified engineering company |
| 6 | Upper Huluganga Mini hydropower project | Two Generators | Electrical Engineer of a certified engineering company |
| 7 | Magalganga Mini hydropower project | Two transformers | Electrical Engineer of a certified engineering company |
| 8 | Siyabalanduwa Solar power project | Three transformers | Electrical Engineer of a certified engineering company |
| 9 | Karapalagama Minihydropower project | Two Generators | Electrical Engineer of a certified engineering company |
| 10 | Damana solar power project | Five transformers | Electrical Engineer of a certified engineering company |
| 11 | Damana solar power project | All Inverters | Electrical Engineer of a certified engineering company |

Safety training plays a crucial role in our strategy. We conduct frequent sessions tailored to specific job roles and risk levels, enabling employees to recognize hazards, follow safe work practices, and respond effectively in emergencies. Fire drills, safety audits, and trial exercises help prepare our workforce for unforeseen incidents, minimizing risks and potential disruptions.

Technological safeguards like alarm systems, fire detection, and CCTV surveillance further enhance our ability to maintain secure and hazard-free environments. Importantly, in 2024/25, no major injuries or lost workdays were recorded, demonstrating the success of our proactive safety culture.

There were no work-related fatalities or high-consequence work related injuries from the inception of the organization up to date. Even though there were no work-related illnesses recorded for the entire history of the organization, certain hearing issues were raised by the operators in hydropower power plants. This could be a hazard due to noise of the hydropower generating machineries, as identified in the HIRA. As preventive measures ear guards have been provided to all operators and noise breakers introduced at all plants where possible.

Rate of recordable work-related injuries is **1.70**

$$\frac{\text{NUMBER OF RECORDABLE WORK-RELATED INJURIES } \mathbf{(2) \times 200{,}000}}{\text{NUMBER OF HOURS WORKED } \mathbf{(234{,}248)}}$$

This comprehensive health and safety framework reflects Resus Energy's unwavering commitment to protecting its people, promoting a culture of care, and ensuring sustainable business continuity.



## NON-DISCRIMINATION

| GRI | 406-1 |
|---|---|

In line with the principles embedded within our organizational framework, Resus maintains a strict policy against discrimination based on gender, age, race, cultural differences, or any other protected characteristic. We actively encourage our employees to report any concerns regarding serious misconduct, breaches, or suspected breaches of laws or regulations that could negatively impact the Company. Such reports can be made without fear of retaliation or unfair treatment through our established 'whistleblowing' and 'open door' policies.

Employee concerns are diligently addressed by senior management, and in cases where issues remain unresolved, they can be escalated directly to the Managing Director, Mr. G A K Nanayakkara, and/or the Non-Executive Director, Mr. U P Egalahewa, PC, under the whistleblowing framework.

Our Head of Human Resources regularly visits project sites to engage with employees, ensuring their concerns and needs are understood and addressed promptly. Throughout the year, no incidents of discrimination were reported, confirming the effectiveness of our policies and the inclusive culture we continue to foster.







# INTELLECTUAL CAPITAL

**Resus Energy PLC recognizes that intellectual capital forms the foundation of our ability to drive innovation, ensure operational excellence, and create long-term sustainable value. In a rapidly evolving energy landscape, intellectual capital enables us to adapt, respond, and lead in delivering renewable energy solutions that serve both economic and sustainabilty goals.**

We define intellectual capital as the collective knowledge, capabilities, systems, experience, and culture that drive our organization forward. This encompasses our human talent, organizational knowledge, processes and systems, technological acumen, and an unwavering ethical framework. Each of these elements contributes to building a resilient and future-ready enterprise.

## KNOWLEDGE, SKILLS, AND EXPERTISE

Over the years, Resus Energy has developed deep sectoral expertise, shaped by experience across diverse geographical, technical, and social contexts. Our teams have successfully executed projects in socially sensitive and logistically challenging regions of Sri Lanka, while also gaining valuable international exposure in markets such as East Africa. We have continuously evolved by applying insights gained from our successes and failures, shaped by political, regulatory, and societal dynamics.

In line with our growth strategy, the launch of Resus Engineering marked a significant milestone in leveraging our technical and service capabilities to provide a comprehensive suite of electro-mechanical engineering services from design and civil consultancy to construction, supporting our operations and potentially to external clients. This expansion has amplified our intellectual capital, positioning us as an integrated service provider in the renewable energy sector.

## PROCESSES, SYSTEMS, AND INSTITUTIONAL KNOWLEDGE

Our institutional knowledge is preserved and enhanced through structured processes and systems that support decision-making and operational consistency. We have built a strong framework of internal protocols that ensure reliability, compliance, and excellence in execution. These include:

- Environmental Management Systems
- Project Management Manuals
- Financial and Accounting Controls
- Human Resource Policy & Procedure Manual

These systems serve not only to ensure operational discipline and compliance with regulatory standards, but also to create an environment where innovation and quality can thrive. Our policies are dynamic, regularly reviewed and refined to



meet evolving business needs and industry benchmarks.

## COLLABORATIVE WORK CULTURE AND ORGANIZATIONAL LEARNING

We are proud of the inclusive and collaborative culture we have cultivated. Resus Energy fosters a work environment that encourages knowledge exchange, cross-functional teamwork, and mutual respect. Our employees, drawn from diverse backgrounds and disciplines, bring unique perspectives that enrich our organizational learning and help us innovate continuously. This collaborative ethos enhances productivity, supports professional development, and contributes to high employee retention and engagement, key indicators of a strong intellectual capital base.

## ETHICS, GOVERNANCE, AND REGULATORY COMPLIANCE

Our operations are governed by a deep-rooted commitment to integrity, transparency, and accountability. Moreover, Upholding the highest standards of integrity in all our actions is essential. We ensure strict compliance with all applicable laws, regulations, and industry directives. We are proud to report that, for the year under review, there were no instances of non-compliance with legal or regulatory requirements, underscoring our culture of good governance and ethical conduct.

## DRIVING INNOVATION THROUGH INTELLECTUAL AGILITY

Innovation is deeply embedded in our identity. From the early stages of project conceptualization to final execution, we apply creative and context-sensitive approaches. Whether through pioneering engineering designs or adapting new technologies to our operational environments, we strive to remain ahead of the curve.

We actively explore opportunities to apply digital solutions such as automation, remote monitoring, and data analytics to improve the efficiency and reliability of our assets. Innovation at Resus is not limited to technology; it extends to business models, stakeholder engagement, and sustainability practices.

## RECOGNITION OF EXCELLENCE

We are honored that Resus Energy emerged as the winner in the “SME Category” at the ACCA Sri Lanka Sustainability Reporting Awards 2024. This prestigious accolade is a significant milestone in our journey and a testament to our steadfast commitment to sustainability, transparency, and excellence in reporting. It highlights the strength and maturity of our intellectual capital and underscores our position as a leader in responsible and forward-looking energy solutions.





## LOOKING AHEAD

As we look to the future, we remain committed to continuously enriching our intellectual capital. By aligning our people, systems, and innovation with our strategic goals, we will continue to build a resilient organization capable of addressing emerging energy challenges and delivering long-term value for all stakeholders.



# ENVIRONMENTAL CAPITAL

**At Resus, we believe that our success is intrinsically tied to the health of the environment. As a company deeply rooted in renewable energy, we rely on nature's most abundant and enduring resources, sunlight and rainfall to generate clean electricity. These gifts of the natural world are not just inputs to our operations, they are the very foundation of our business model and our mission.**

Effectively managing our environmental capital is not just a responsibility, but a strategic imperative. We understand that preserving the ecosystems we rely on today ensures our ability to power communities tomorrow. That's why environmental stewardship is woven into every aspect of our operations, from how we harness solar energy to how we manage water resources and minimize our ecological footprint.

Renewable energy is more than just a technological shift, it is a commitment to a cleaner, greener future. Unlike fossil fuel-based power, which contributes significantly to air pollution, carbon emissions, and climate change, renewable sources offer a path to sustainable progress. By investing in technologies that tap into nature without depleting it, we reduce harmful environmental impacts and support global efforts to combat climate change. We are proud to position Resus not only as a provider of reliable, renewable energy but also as a forward-thinking, environmentally conscious enterprise. Our brand stands for resilience, responsibility, and renewal as values that reflect our approach to business which equally contributes to the planet. Through every solar panel installed and every drop of rainwater utilized, we are actively contributing to amore sustainable future through cleaner energy landscape.

## CLIMATE AND US

Climate change and the availability of natural resources have a significant impact on our operational performance, both positively and negatively. The risks and opportunities presented by climate variability are substantial - increased rain in catchment areas can enhance hydropower generation, and extreme weather events such as floods and landslides can adversely affect our operations. At Resus, we are proactively identifying and leveraging climate-related opportunities while implementing comprehensive risk mitigation, strategies and precautionary measures to minimize potential negative impacts.

## OUR OPERATION AND ENVIRONMENT

Hydropower projects are inherently location-dependent, as their key operational parameters: "head" and "water flow" are directly influenced by the site's geographical features. Consequently, land plays a critical role in the development and performance of our hydropower operations.

Water is the key environmental capital input in the value creation process of hydropower generation. In our operations, water is diverted from the river to generate electricity and then returned to the same river, ensuring no depletion or adverse impact on the water resource. All our projects are designed to maintain a continuous "environmental flow" at the weir, supporting both the surrounding ecosystem and local communities. As such, water is utilized as a sustainable and renewable source of energy in our hydropower plants.

Our solar power projects are typically developed in regions with extensive flat land and high solar irradiance. The efficiency of these projects is primarily influenced by the level of irradiance and cloud cover. In solar energy initiatives, land is a critical resource, and effective management of this asset from the design phase through to operations is

essential to ensure optimal performance and long-term success.

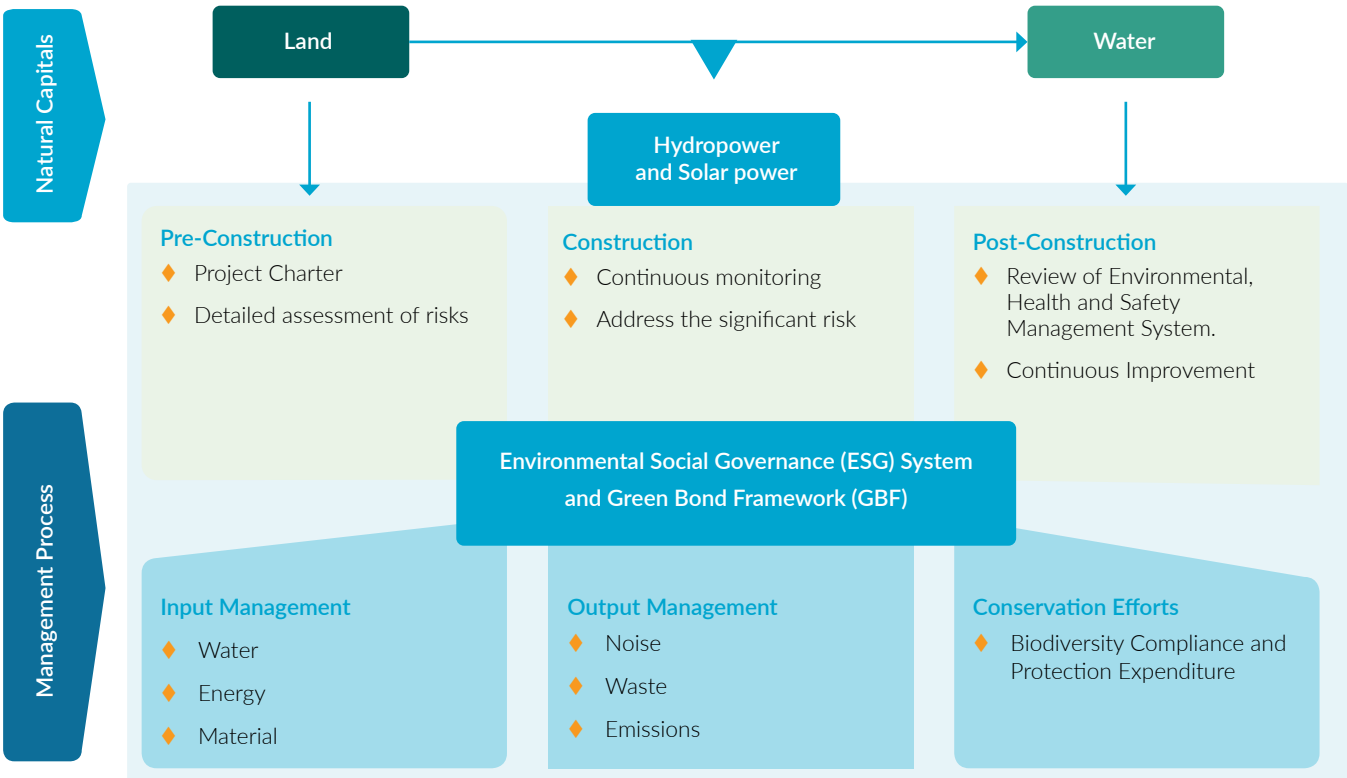
During the project design phase, careful optimization of project parameters is undertaken to ensure the efficient and environmentally sustainable utilization of land and water resources. Any substantial deviations from optimal design could lead to suboptimal resource utilization, negatively affecting the overall investment. Our environmental compliance framework includes the standard guidelines outlined by the Central Environmental Authority, relevant government bodies, and our internal protocols.

**The following five key objectives and targets are prioritized:**

1. Conservation and efficient utilization of natural resources.
2. Sustainable waste management practices.
3. Reduction of environmental pollution during both construction and operation phases.
4. Optimization of project design to minimize environmental and social impacts.
5. Proactive stakeholder engagement to mitigate environmental and social consequences of our activities.

## POLICY OF ENVIRONMENT CAPITAL MANAGEMENT

Unlike other forms of capital, such as buildings and infrastructure, which can be built or renovated, most natural resources are finite and cannot be regenerated. "Resus," representing REnewable energy and SUStainability, reflects our core philosophy, which emphasizes the highest standards of environmental stewardship in both project development and operations. We are fully committed to adhere to the best environmental practices, ensuring the preservation of natural resources for future generations.



# ENVIRONMENTAL CAPITAL

## PRE-CONSTRUCTION PHASE

Before initiating any development project, a comprehensive risk assessment is conducted to evaluate the potential ESG impacts. A Project Charter is then signed off to formalize the process. Our team systematically identifies and plans for key ESG risks associated with the project, in alignment with our ESG policy, objectives, targets and indicators. These assessments are integrated into the Site-Specific Environmental Social Governance Plan (SSESGP) as well as the GBF align with Green Bond Principals (GBP) issued by International Capital Markets Association (ICMA).

## CONSTRUCTION PHASE

We ensure complete compliance with environmental regulations set by the Central Environmental Authority, as well as with our internal environmental management policies. Our policies are designed in line with following standards, guidelines and incorporate elements of the Equator Principles, often exceeding the requirements of state regulations.

- ISO 14001:2015
- ISO 45001:2018
- UN Sustainability Development Goals (SDG)
- ICMA Green bond principle

Compliance with our SSESGP is a key responsibility of our in-house project development team for all projects. Our Senior ESG Manager maintains constant monitoring through regular site visits, verifying adherence to the ESG system and implementing the actions address the risk and opportunities as to the ESG System. Furthermore, external contractors and material suppliers working at our sites are contractually bound by our ESG regulations, which are mandatory components of their construction contracts.

The following activity categories implemented to identify the ESG risks are and opportunities, according to the ESG System, to reduce their impact during construction:

- Identifying the needs and expectations of the interested parties of RESUS.
- Identifying the ESG aspects and impacts/hazards from construction activities.
- Identifying the legal requirements and compliance obligations.
- Developing the Goals, Targets and Indicators which are monitored.
- Planning and implementation.
- Performances evaluation of the achievement of the Goals and Targets via Indicators.

## POST-CONSTRUCTION PHASE

The Environmental Social Governance is regularly reviewed at scheduled intervals to ensure it remains suitable, adequate, and effective that outcomes of these management reviews include decisions and actions regarding potential updates to the ESG policy, goals, targets, indicators and other components of the system, in line with our commitment to continuous improvement.

A significant investment has been made to uphold high standards of aesthetics, creating a pleasant, green environment with carefully designed landscaping that complements the natural surroundings. Through these efforts, we aim to ensure that our renewable energy projects are developed and operated in a way that maximizes benefits for the environment, employees, society, and the nation.

## INPUT MANAGEMENT

### Water Management

| GRI | 3-3 | 303-1,2,3 | 306-1 |
|---|---|---|---|

Resus specializes in the development and operation of small-scale hydropower projects that utilize the run-of-the-river model, where water is not stored in large reservoirs, distinguishing them from traditional large-scale hydropower systems.

During power generation, the water used is returned to the same river without any pollution or depletion. In fact, the water is naturally purified and cleared of debris during the process, as most of the trash carried by the river is captured by trash racks installed in the diversion channel and removed. The water discharge point is located within a 1 km radius downstream of the diversion point at all our power plants.

Throughout the construction phase, river water is routinely tested for pollution, with external consultants from the Industrial Technology Institute or Water Board engaged to conduct the assessments.



Contractors are prohibited from constructing any structures near the river, and we rigorously monitor sanitation facilities and waste disposal practices to ensure that no activities at the project sites result in water contamination. Fishing in water streams within the project area is prohibited, and the use of fuels and chemicals is strictly regulated and monitored to prevent water pollution.

At our power plants, water sourced from sub-streams and tube wells is used for drinking and other purposes, with municipal water being utilized only at the Giddawa, Huluganga, and Moragaha Oya plants. We conduct regular monitoring to identify any potential issues that could impact water quality.

### Water Consumption

| Description | Water usage m³ | | Water recycled m³ | | Percentage recycled | |
|---|---|---|---|---|---|---|
| | 2024/25 | 2023/24 | 2024/25 | 2023/24 | 2024/25 | 2023/24 |
| Municipal/Drinking Water | 2,054 | 845 | - | - | - | - |
| Ground water | 525 | 265 | - | - | - | - |
| Surface Water | 387,261,047 | 378,437,140 | 387,259,668 | 378,435,006 | 99.99% | 99.99% |
| | **387,263,626** | **378,438,249** | **387,259,668** | **378,435,006** | **99.99%** | **99.99%** |

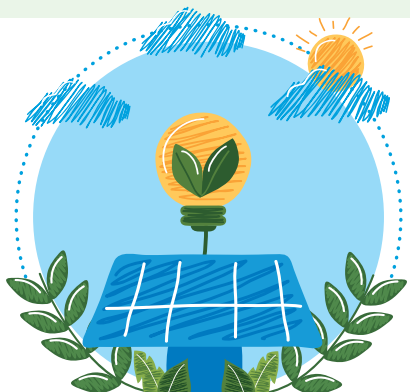
## ENERGY MANAGEMENT

| GRI | 3-3 | 302-1,4 |
|---|---|---|

As a green energy provider, we are committed to minimizing energy consumption across all companies within the Group. Our energy efficiency initiatives include the integration of natural lighting and ventilation in building designs, the adoption of LED technology, and the installation of individual air conditioning units to enable more precise control of energy usage when not needed. Additionally, we maintain air conditioning settings between 23°C and 26°C to optimize energy usage and foster a culture among staff that encourages turning off equipment when it is not in use.

### Energy Consumption by Source

| Source | 2024/25 | 2023/24 |
|---|---|---|
| Diesel for Vehicles (Ltr) | 9,386 | 8,331 |
| Petrol for Vehicles (Ltr) | 4,670 | 3,806 |
| Fuel for Generators (Ltr) | 491 | 596 |



## MATERIAL MANAGEMENT

| GRI | 3-3 | 301-1 |
|---|---|---|

Our resource management has been streamlined for efficiency. Material consumption this year includes resources used for the Ampara 5 MW Solar Power Plant, which was completed recently. We exclusively purchase materials from external suppliers who are committed to ethical, social and environmental practices. In the supplier evaluation process, we have integrated ESG requirements, emphasizing a lifecycle perspective in our ESG management approach.

### Material Consumption

| Material | 2024/25 | 2023/24 |
|---|---|---|
| Steel (Ton) | 54 | 5 |
| Cement 50kg Bag | 2,800 | 3,000 |
| Sand (Cube) | 75 | 100 |
| Aggregate (Cube) | 100 | 150 |



# ENVIRONMENTAL CAPITAL

## OUTPUT MANAGEMENT

### NOISE MANAGEMENT

Noise level assessments are routinely conducted at our project sites in collaboration with professional organizations such as the Industrial Technology Institute and the National Institute of Occupational Health and Safety. Additionally, noise levels are monitored through mobile applications to provide a comprehensive understanding on a scheduled basis, in accordance with the Monitoring and Measurement Plan outlined in the ESG System. A baseline noise test is performed prior to the commencement of construction, with follow-up tests conducted every six months for comparison and monitoring purposes. In compliance with Noise Control Regulation No. 1 of 1996, Schedule III of the National Environmental Act, we assess noise levels against the following thresholds:

| | | |
|---|---|---|
| **Daytime** | Maximum Level | 75 dB |
| **Nighttime** | Maximum Level | 50 dB |

All blasting operations are carried out under the strict supervision of a qualified mining engineer. Additionally, civil contractors are prohibited from using machinery in poor condition at project sites to prevent any disruption to the surrounding environment during construction activities.

## WASTE MANAGEMENT

| GRI | 3-3 | 306-2 |
|---|---|---|

Resus actively advocates for waste segregation across the Group as part of its sustainability initiatives. This practice is implemented in collaboration with local authorities and partnered waste management service providers.

In accordance with our organizational policies, it is mandatory for contractors to ensure that construction sites are cleaned daily, with all waste disposed of in designated locations. The burning of waste and the use of polythene are strictly prohibited on construction sites and within power plant premises. Most power plant workers bring their meals in reusable containers or wrapped in banana leaves now as a positive outcome of promotional activities aimed at reducing the use of disposable lunch sheets. Kitchen waste is collected in bio-cages or compost bins, and the resulting compost is used for organic farming activities on-site. All paper waste is sent to recycling centers. Penalties are imposed for any breaches of these regulations. Daily inspections are conducted by a designated project team representative to monitor compliance with waste management procedures.

**Disposed waste quantities by Category**

| Type of Waste | Quantity Disposed (Kg) | |
|---|---|---|
| | 2024/25 | 2023/24 |
| Kitchen Waste | 2,750 | 2,905 |
| Paper and Other | 245 | 375 |
| Electric Waste | 24 | 64 |
| Garden Waste | 5,517 | 9,884 |
| Hazardous Waste | - | - |










♦ We handover the Head Office paper waste to waste management company for proper recycling

Our E-waste management program involves the disposal of computers, accessories, mobile phones, batteries, and other electrical and electronic appliances, all of which are sent to certified E-waste recycling agencies. However, due to the relatively small volume of e-waste collected, we have not reported the specific quantity of e-waste generated.







♦ We create income source from the E-Waste

## EMISSIONS MANAGEMENT

| GRI | 3,3 | 305-1 2,3,5,6,7 |
|---|---|---|

Our hydropower plants are operated in a zero-emission environment. While construction activities may involve the use of machinery by contractors, we ensure that all equipment is well-maintained and does not produce excessive emissions or discharges. All company vehicles undergo regular emission tests, and comprehensive records are meticulously maintained to monitor the progress of our emission management efforts. Machinery that is not in optimal condition is not permitted on our project sites.

All electromechanical equipment at our hydropower stations is sourced from the industry's leading Western European suppliers, renowned for their cutting-edge technology and innovation. These systems are meticulously engineered and manufactured to the highest European standards, ensuring unparalleled performance, reliability, and sustainability.

This approach guarantees that our equipment operates at peak efficiency, adhering to the most rigorous engineering standards. Furthermore, it ensures that all systems are not only technically superior but also aligned with the highest environmental and social sustainability benchmarks, setting a new standard in responsible and innovative engineering excellence.

Electricity consumption-related $CO_2$ emissions significantly decreased from 287.6 $tCO_2$ in 2023/24 to 61.6 $tCO_2$ in 2024/25, driven by the adoption of LED lighting, inverter-type air conditioners, and implementation of other best practices in power management.

### Carbon Emissions Summary

| Scope | Emission Category | Emission of $tCO_2$ | |
|---|---|---|---|
| | | 2024/25 | 2023/24 |
| **Scope 1** | Fuel Consumption for Generators | 33.53 | 29.35 |
| | Fuel Consumption for Machineries at sites | | |
| | Fuel Consumption for transportation/vehicles for business use | | |
| **Scope 2** | Electricity Consumption | 61.6 | 287.6 |
| **Scope 3** | Business Purpose Air Travel | 2.4 | 4.2 |

## CARBON FOOTPRINT

We avoid the use of heavy machinery at project construction sites, and the emissions from equipment such as concrete mixers, excavators, and small generators are minimal. Our operational power plants also leverage self-generated electricity for internal consumption, further reducing reliance on external energy sources. As a result, greenhouse gas emissions from these activities are negligible within the context of our industry. In fact, our operations play a pivotal role in significantly lowering the carbon footprint. The fundamental nature of our operations drives this reduction, as our renewable energy-based electricity generation actively displaces traditional fossil fuel-

# ENVIRONMENTAL CAPITAL

based power production, contributing substantially to global efforts against climate change.

The calculations are based on the three-year average grid emission factor of 0.7123 t-$CO_2$/MWh in 2022, as published by the Sri Lanka Sustainable Energy Authority. Our operations do not produce significant emissions of ozone-depleting substances (ODS), NOx, SOx, or other major air pollutants. In fact, we maintain a strong commitment to minimizing our environmental impact and meeting the highest sustainability standards.

In line with our ongoing commitment to reducing carbon emissions and advancing environmental and social sustainability, we have taken significant steps towards implementing a Clean Development Mechanism (CDM) across our operational hydropower plants: Gomale Oya, Moragaha Oya, and the Upper Huluganga hydropower project. In collaboration with Sri Lanka Climate Fund (Pvt) Ltd., a highly respected carbon consultancy firm known for its expertise in CDM activities and emissions reduction verification, these three plants have successfully registered with the UNFCCC (United Nations Framework Convention on Climate Change). This registration ensures that all operations are conducted with rigorous monitoring, recording, and reporting of greenhouse gas emissions, setting a new benchmark for transparency and accountability in our sustainability efforts.

All other power plants are registered under the Renewable Energy Certificates (RECs) program, a crucial initiative that drives sustainable energy growth to reduce the business individual's carbon footprint. This registration also guarantees that all operations are subject to rigorous monitoring and documentation, specifically focusing on the avoidance of greenhouse gas emissions as part of our sustainability initiatives.

During the financial year, Resus has proudly established itself as one of the leading renewable energy companies in Sri Lanka, earning the prestigious authorization to issue Carbon Emission Credits under the governance of the UNFCCC. This significant achievement not only underscores our leadership in the renewable energy sector but also highlights our unwavering commitment to global sustainability goals, positioning us at the forefront of environmental responsibility and carbon reduction initiatives in the region.

| Reduction of $tCO_2$ emission | | |
|---|---|---|
| | 2024/25 | 2023/24 |
| Electricity generation from fully owned hydro power plant | 62.3 GWh | 59.7 GWh |
| Reduction of $tCO_2$ emissions from fully owned hydro power plants | 44,392 $tCO_2$ | 43,051 $tCO_2$ |

## CONSERVATION EFFORTS

Resus places a high priority on environmental protection and the promotion of low-carbon, sustainable operations as a core aspect of their corporate strategy. Our unwavering commitment is to build a trailblazing, environmentally responsible enterprise that not only leads the way in green innovation but also sets a new standard for corporate sustainability, ensuring a positive impact on both the planet and future generations.

## BIODIVERSITY

| GRI | 3-3 | 304-1,2,3,4 |
|---|---|---|

Our projects are meticulously designed and operated to ensure minimal disruption to natural ecosystems and local livelihoods. The preservation of biodiversity is a fundamental priority, seamlessly integrated into our ESG System. We are unwavering in our dedication to safeguarding the environment, going above and beyond to ensure that every aspect of our operations contributes to the protection and enhancement of the planet's rich ecological heritage, setting a benchmark for sustainable development in the industry.

During the project planning phase, we invest significant resources to thoroughly identify and assess local flora and fauna species. This proactive approach ensures that we not



only comply with environmental regulations but also lead the industry in biodiversity protection, setting new standards for responsible and sustainable project development. Our commitment to safeguarding wildlife is embedded in every stage of planning, making environmental stewardship a cornerstone of our operations.

**Fauna and Flora species found at Gomale Oya project site - IUCN Red List 2007**

| Conservation Status | No. of Fauna Species | No. of Flora Species |
|---|---|---|
| Near Threatened | 2 | - |
| Vulnerable | 2 | 8 |
| Critically Endangered | - | 1 |
| Endangered | - | 1 |

## COMPLIANCE AND EXPENDITURES

| GRI | 3-3 | 307-1 |
|---|---|---|

The Group has maintained full compliance with environmental laws and regulations throughout the financial year, with no fines or penalties incurred because of our project development activities. We are committed to ensuring that the ecological integrity and biodiversity is preserved, safeguarding the variability within species, between species, and across ecosystems. Our unwavering dedication to environmental stewardship ensures that our projects not only meet regulatory requirements but also contribute to the long-term health and sustainability of natural habitats, setting an industry-leading example in ecological responsibility.

The Magal Ganga, Gomale Oya, and Ranwala Oya projects are strategically located near protected areas renowned for their exceptional biodiversity. These projects are situated in regions of unparalleled ecological significance, where conservation efforts are critical, highlighting our commitment to developing projects that harmonize with, rather than disrupt, these vital natural habitats.

At Magal Ganga, we have designed and constructed a protective covered water channel to prevent wildlife from falling into it. Additionally, we have strategically diverted the channel's path to minimize the impact on surrounding trees, demonstrating our commitment to both protecting local wildlife and preserving the natural environment.

The Gomale Oya project area is home to a limited number of threatened plant and animal species. However, construction activities are confined to a narrow strip of land, ensuring that the threatened plant species were not impacted by excavation or land clearance. Moreover, the effects of construction on local wildlife are minimal, with any potential disruptions being negligible.

The Group made significant strategic investments in the design of its projects to ensure the highest level of environmental and biodiversity protection within project areas. These additional costs reflect our unwavering commitment to sustainability, going far beyond standard compliance to actively preserve natural ecosystems.

All solar power plants have been constructed on utilized lands, characterized by minimal vegetation cover. These sites have been carefully selected to ensure that they are not situated near environmentally sensitive areas, thereby minimizing ecological impact.



# ENVIRONMENTAL CAPITAL

## ESG RISKS AND OPPORTUNITIES

GRI 201-2

| Power Source | Risk | Opportunities | Mitigating Measures |
|---|---|---|---|
| Solar Power | ♦ Solar energy production is highly dependent on sunlight, so cloudy, rainy, or wintery weather can significantly reduce power generation.<br>♦ Lower than expected energy output due to shading, dust, or degradation.<br>♦ Changes in subsidies, tariffs, or environmental laws can affect financial returns. | ♦ Solar energy is clean, with little to no emissions, making it a key component in combating climate change and reducing carbon footprints.<br>♦ Our solar plants create jobs in manufacturing, installation, and maintenance, contributing to local economies. | ♦ Utilize underutilized spaces for installation to mitigate land use concerns.<br>♦ Adopt new technologies to increase the efficiency of solar power systems<br>♦ Conduct Environmental Impact Assessments.<br>♦ Develop disaster preparedness plans |
| Hydro Power | ♦ From 2002 to 2023, Sri Lanka lost 10.9 kha of humid primary forests, which impact in rainfall patterns or prolonged droughts reduce river flow, affecting power generation capacity.<br>♦ Stricter environmental regulations or new permitting standards can increase costs or halt expansion.<br>♦ Landslides, wildfire, or extreme flooding can damage infrastructure or increase the risk of weir failure.<br>♦ Projects near or within protected or biodiversity sensitive zones may face opposition or cancellation.<br>♦ Sediment buildup reduces reservoir capacity and efficiency over time.<br>♦ Poor stakeholder engagement or broken promises can lead to protests or opposition movements.<br>♦ Sudden changes in environmental laws, water rights, or energy policies | ♦ Hydropower plants can participate in carbon credit markets by offsetting $CO_2$ emissions through clean energy production.<br>♦ Hydropower plants can improve local water quality through better sediment management and water filtration in reservoirs, offering multi-purpose uses like drinking water and sanitation provision.<br>♦ With the increasing demand for sustainable investments, hydropower's stable and predictable energy output makes it an attractive investment for renewable focused funds. | ♦ Conduct thorough EIAs before project development to identify and mitigate potential impacts on biodiversity and protected areas.<br>♦ Implement waste reduction, recycling, and proper disposal practices to prevent contamination of water bodies and surrounding ecosystems.<br>♦ Develop and regularly update disaster response plans to ensure swift action in case of emergencies.<br>♦ Partnering with universities and research institutions on environmental and engineering topics can boost local capacity and promote innovation.<br>♦ Older hydropower plants can be upgraded with more efficient technologies and environmental protection, extending their operational life while reducing environmental impact |

## RESUS ESG GOALS

GRI 3-3

| Resus Goal | Objective/Target | Indicators | Results of 2024/25 year | Target SDG Goal |
|---|---|---|---|---|
| Active participation in initiatives aimed at reducing poverty in rural areas. | ♦ Recruit workers from the surrounding rural areas for power plant operations.<br>♦ Organizational profit sharing with workers. | We recruit more than 70% of staff from powerplant neighborhood and incentives are provided accordingly to power generation. | ♦ Local Community staffing of Power Plants is 81% |  |
| Provide land for cultivation to meet food requirements at power plants. | ♦ Increase the production of crops to provide food for employees. | Harvested 75% of our vegetable requirements of the Power plants. | ♦ 45% of vegetable requirements were harvested from our power plants |  |
| Maximize the health and well-being of employees of the organization. | ♦ Minimize water, soil and noise pollution in construction projects and operations.<br>♦ Maximize the health and safety practices of employees in construction projects and operational power plants.<br>♦ Improve employee general health & wellbeing encouraging healthy lifestyles | We maintained noise levels and Total Suspended Solids (TSS) within regulatory standards at the construction site and sustained a zero-injury record among employees throughout the year. | ♦ Maintained a strong safety record with only one minor injury reported during the year.<br>♦ This represents a 50% reduction in injury cases compared to the previous year.<br>♦ Continued promoting a safe and healthy work environment through regular safety trainings and health awareness programs. |  |
| Provide education support and training to children, undergraduates, and other trainees. | ♦ Provide free books and stationery to<br>♦ school children of employees.<br>♦ Provide training for undergraduates from technical colleges and universities.<br>♦ Facilitate field tours for school children. | We provide technical training annually for a minimum of five students from technical colleges and universities, facilitating at least two educational field visits to operational power plants for school children. | ♦ Offering on-the-job training opportunities for 7 individuals from technical colleges and universities. |  |

## ENVIRONMENTAL CAPITAL

| Resus Goal | Objective/Target | Indicators | Results of 2024/25 year | Target SDG Goal |
|---|---|---|---|---|
| Promote a culture of gender equality within the organization. | ♦ Enhance the recruitment of female workers from low-income areas to promote diversity and inclusivity in the workforce. | A minimum 30% increase in female recruitment, compared to male workers, is targeted for the upcoming solar project commissioning. | ♦ During the financial year, 6 employees were recruited for the newly commissioned Damana solar power project. Among them, 2 are female, representing 33.3% of the total hires. |  |
| Transform into an affordable and competitive clean energy provider in Sri Lanka. | ♦ To establish as one of the leading low-cost renewable energy companies in the country. | Targeting the addition of 25MW in new renewable energy capacity within three years, while sustaining generation costs below US 7 cents per kWh. | ♦ We newly commissioned 5 MW power plant in Damana Ampara |  |
| Achieve sustainable economic growth through the generation of renewable energy. | ♦ Increase renewable energy generation to reduce greenhouse gas emissions.<br>♦ Displace thermal power and save generations costs and foreign exchange. | The initiative aims to avoid 40 million tons of $CO_2$ emissions annually and save US$2.5 million in foreign exchange. | ♦ During the last financial year, we successfully achieved a reduction of 44,392 tonnes of $CO_2$ equivalent ($tCO_2e$) in carbon emissions through our sustainable energy operations and efficiency initiatives.<br>♦ A total of LKR 1,364,845,733.70 worth of electricity (*Average electricity price 21.9 LKR/kWh) was generated during the year, significantly reducing the need for energy imports and contributing to national energy security. |  |
| Sustain a workforce regardless of gender, religion, race and social class. | ♦ Maintain the healthy gender-mix in corporate office and power stations.<br>♦ Have multi-religious & social environment. | We are committed to sustaining and expanding a diverse workforce with balanced gender, ethnic, and social representation, while creating 50 new employment opportunities for the local community at power plants over the next five years. | ♦ To support the achievement of this target in the current financial year, we recruited six new employees for the newly commissioned Damana Solar Power Plant without considering any gender, religion or social class. |  |

**According to the Sri Lanka Energy Balance 2022 Report, Sri Lanka Sustainable Energy Authority.*

| Resus Goal | Objective/Target | Indicators | Results of 2024/25 year | Target SDG Goal |
|---|---|---|---|---|
| Enhancing the corporate governance culture within an organization to promote transparency, accountability, and ethical decision-making. | ♦ Voluntary Implementation of numerous Systems & Procedures to sustain a strong corporate governance environment.<br>♦ Compliance with Corporate Governance Requirements of the Stock Exchange | The organization has established policies in alignment with corporate governance requirements. | ♦ We are fully compliant with the Corporate Governance requirements set forth by the Stock Exchange. Our governance framework ensures transparency, accountability, and ethical conduct across all levels of operation, aligning with best practices to safeguard stakeholder interests and promote long-term sustainability. |  |
| Promote sustainability partnership programs within the organization to enhance environmental initiatives and foster collaboration with external stakeholders | ♦ Partnership with Forest Department for Knuckles Forest Enrichment Program.<br>♦ Foster partnerships for farming programs. | Cultivate Aloe Vera on a 4-acre plot at the Mahiyanganaya solar power plant, operating it as a hybrid agro-energy project. | ♦ We cultivated over 4,000 aloe vera plants and provided the necessary fertilizers to ensure healthy growth.<br>♦ The expected income from this project during the current financial year. |  |





♦ **Greenhouse at Magal Ganga Mini Hydro Power Plant**
Aligned with our Company's goal to provide land for cultivation to meet food requirements at power plants, a significant portion of our vegetable needs was fulfilled through on-site farming, supporting SDG2-Zero hunger and promoting sustainable, self-reliant operations.

## ENVIRONMENTAL CAPITAL





- **Chicken Farming at Giddawa Hydro Power Plant**
  As part of our efforts to promote sustainable and responsible food practices, Giddawa Hydro Power Plant has established a chicken farming program, supporting both environmental and community well-being.



- **Empowering through Education and Equality**
  In line with our commitment to promote a culture of gender equality within the organization, this initiative fosters equal opportunities and invests in the education of future manpower, directly contributing to the achievement of SDG 5: Gender Equality





- **Strengthening Sustainability through Partnerships**
  Aligned with our objective to promote sustainability partnership programs and foster collaboration with external stakeholders, the Aloe Vera plantation at Mahiyanganaya Solar Power Plant exemplifies our commitment to environmental initiatives and supports the achievement of SDG 17: Partnerships for the Goals

# CORPORATE GOVERNANCE

**At Resus Energy PLC, we recognize that strong corporate governance is the foundation for sustainable growth, stakeholder confidence, and long-term value creation. As a company operating in the renewable energy sector, our commitment to ethical conduct, transparency, and accountability is deeply embedded in our operations and decision-making processes. This Corporate Governance Report outlines the governance framework, policies, and practices adopted by the Board of Directors and senior management to ensure effective oversight, compliance with applicable regulations, and alignment with our strategic objectives. We continuously strive to uphold the highest standards of governance, in line with evolving best practices and our responsibility to contribute to a greener, more sustainable future.**

## COMPLIANCE SUMMARY

| GRI | 2-27 |
|---|---|

| Regulatory Benchmarks | |
|---|---|
| √ | Companies Act No.7 of 2007 and regulations |
| √ | Listing Rules of the Colombo Stock Exchange (CSE) |
| √ | Securities and Exchange Commission of Sri Lanka Act No. 36 of 1987, including directives and circulars |
| √ | Code of Best Practice on Related Party Transactions (2013) advocated by the Securities and Exchange Commission of Sri Lanka (SEC) |

| Internal Benchmarks | |
|---|---|
| √ | Articles of Association |
| √ | Board Approved Policies |
| √ | Terms of reference of Board Committees |
| √ | Code of Business Ethics |

| Voluntary Codes and Best Practices | |
|---|---|
| √ | Code of Best Practice on Corporate Governance 2023 |
| √ | GRI Standards issued by the Global Reporting Initiative |
| √ | United Nations Sustainable Development Goals (UNSDGs) |



# CORPORATE GOVERNANCE

## CHAIRMAN'S STATEMENT (GRI 2-22)

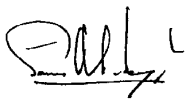
The trust and confidence placed on us by our stakeholders bears testimony to our integrity and sustained value creation, which in turn reflects our adherence to high standards of governance. Our approach to governance has been based on the belief that high quality governance is essential to the creation of long-term shareholder value and must be pursued resolutely.

We aspire to maintain the highest level of governance standards ensuring that through sound policies and procedures these standards and values are cascaded across the Group. The Board is supported by robust and independent audit and compliance functions that provide effective oversight over the governance process and plays an important role in setting the tone and creating a culture that delivers sustainable value. Towards this end we focus on creating a values-driven culture at Resus, where everyone

demonstrates the core values of Creativity, Integrity, Concern for People and Planet, Obsession for Performance and Sense of Urgency, making sound governance practices a way of life through our daily operations of the Group.

The level of compliance with the Code of Best Practice on Corporate Governance 2023 (the Code) issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) and the disclosure requirements and continuing listing rules of the Colombo Stock Exchange (CSE) are described in the Report below.

As required in the Code, I hereby confirm that, I am not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any member of the Corporate Management of Resus Energy PLC.



**H A S Madanayake**
Chairman

Colombo, Sri Lanka
31st July 2025

## 1. CORPORATE GOVERNANCE FRAMEWORK

The Group has in place a well-structured corporate governance framework, which is integral in creating sustainable shareholder value. The corporate governance framework at Resus Energy PLC is built on the core principles of accountability and transparency, which are essential for the creation, enhancement and maintenance of a sustainable business model. The Group has also established its own set of internal benchmarks, processes and structures in meeting accepted best practices in governance, which have lent credence to Resus's continuous and consistent value creation for its stakeholders. Our cohesive governance structure consists of several governance bodies with well-defined roles and responsibilities, ensures greater accountability and clear reporting lines.

The Company operates with an Integrated Governance framework with due considerations given to Corporate Governance Best Practice issued jointly by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC) and continuing listing rules of the Colombo Stock Exchange (CSE).

### THE FOLLOWING SECTIONS DEXCRIBE IN DETAIL:

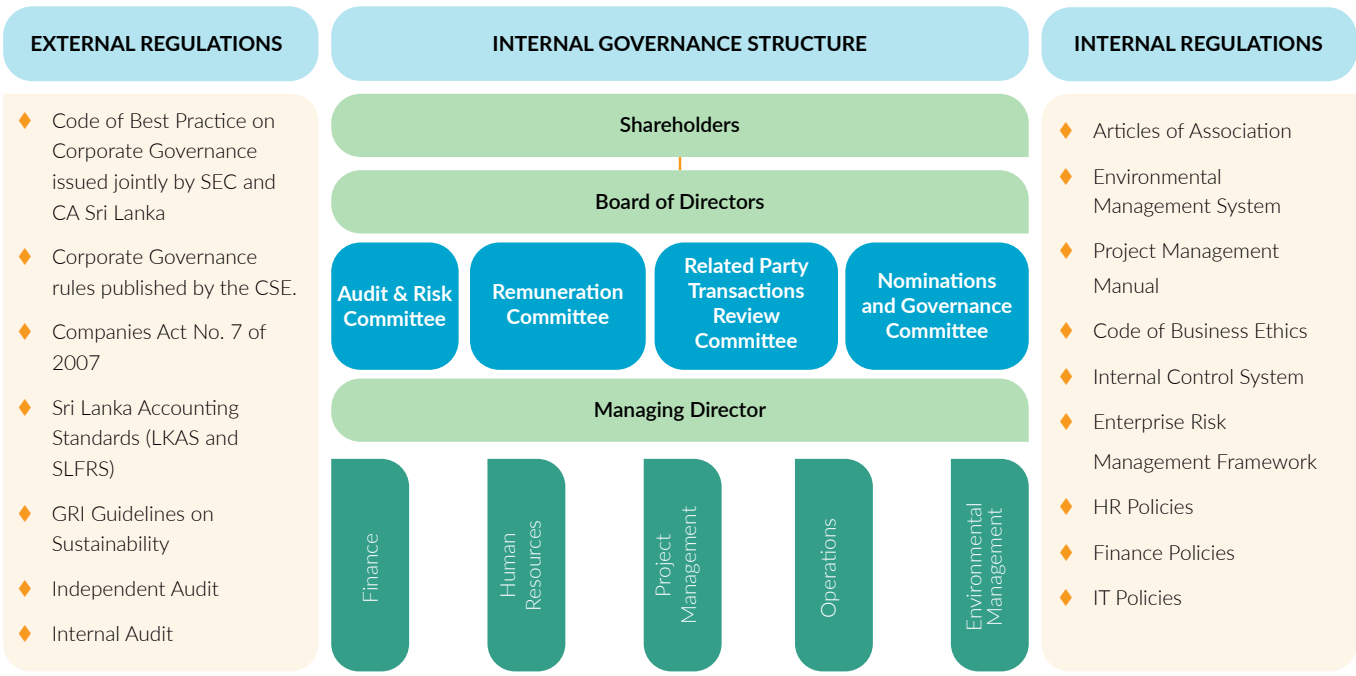
- The components of the Resus Corporate Governance System
- Resus' level of compliance with the above Code comprising the following seven sections

**A – Directors**
**B – Directors' remuneration**
**C - Relations with Shareholders**
**D – Accountability and Audit**
**E – Institutional Investors**
**F – Other Investors**
**G – Sustainability Reporting**

The monitoring and review mechanisms in place to ensure strict compliance to the Group's Governance policy to gain assurance of its effectiveness.

### GOVERNANCE STRUCTURE

| GRI | 2-9 | 2-23 | 2-24 |
|---|---|---|---|



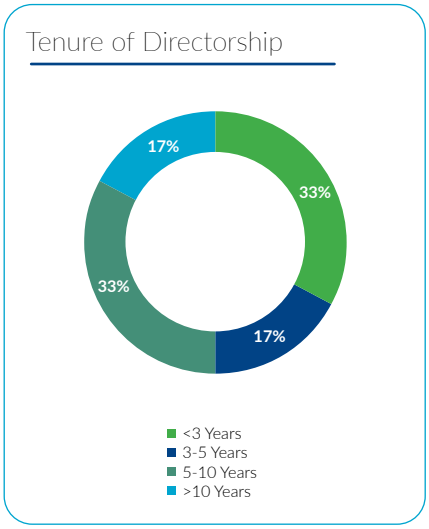
# CORPORATE GOVERNANCE

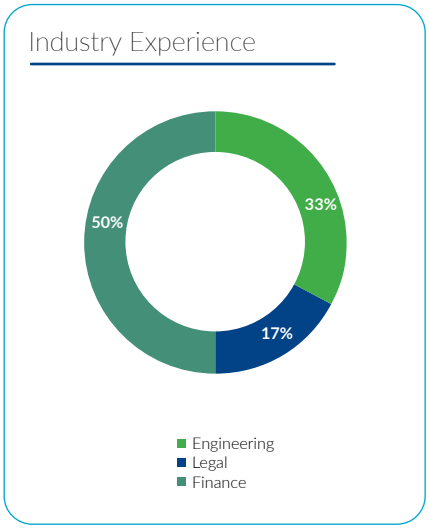
## 2. BOARD EFFECTIVENESS

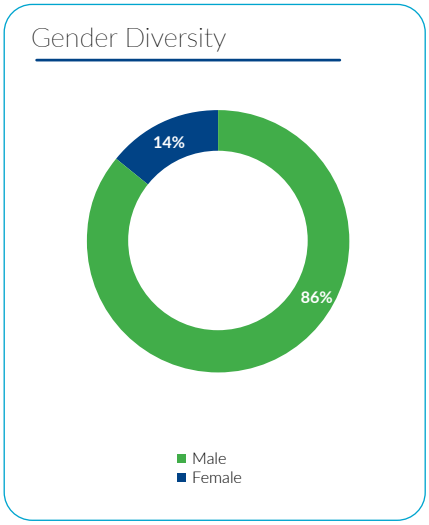
### 2.1 BOARD COMPOSITION AND EXPERTISE

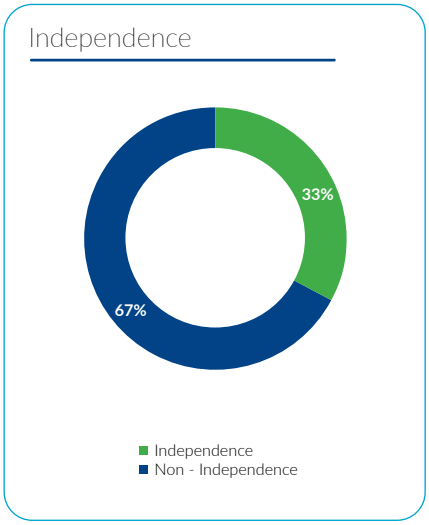
| GRI | 2-9 | 2-10 | 2-17 |
|---|---|---|---|

| BOARD COMPOSITION | |
|---|---|
| Non-Executive Chairman | |
| Executive Managing Director | |
| Non-Independent Non-Executive Directors | |
| Independent Non-Executive Directors | |




**DIRECTOR'S INDEPENDENCE**

**DEFINITION**

Independence is determined against criteria as set out in the listing Rules of the Colombo Stock Exchange and in compliance with Schedule "C" of the Code

→

**ASSESSMENT**

Independent assessment of directors is conducted annually by the board, based on the annual declaration and other information submitted by Non-Executive Directors

→

**OUTCOME**

The Board is satisfied there are no relationships or circumstances likely to affect or appear to affect, on director's Independence during the period under review.

## 2.2 ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

GRI 2-11

The role of Chairman is separate from that of the Managing Director which is in line with best practices in Corporate Governance ensuring that no one Director has unfettered power and authority. The Chairman is a Non-Executive Director while the Managing Director is an Executive Director appointed by the Board.

| Responsibilities of the Board | Chairman's Responsibilities | Managing Director's Responsibilities |
|---|---|---|
| The Board's role is t° provide entrepreneurial leadership to the Group within a framework of prudent and effective controls which enable risks to be assessed and managed | Chairman leads the Board, preserving good corporate governance and ensuring that it works ethically and effectively, acting in the best interest of the Group. | The MD is an Executive Director appointed by the Board and is accountable for implementation of the Group's strategic plan and driving performance. |
| ♦ Formulation, implementation and monitoring the business strategy.<br>♦ Placing effective systems to secure the integrity of information, internal controls, business continuity and risk management.<br>♦ Compliance with laws, regulations, and ethical standards<br>♦ Consider the interest of all stakeholders in corporate decisions | ♦ Ensure that the new Board members are given appropriate induction.<br>♦ Lead the Board and manage the business of the Board.<br>♦ Approve the agenda for each Board meeting.<br>♦ Ensure that the Board members receive accurate, timely and clear information to enable the Board to take sound decisions.<br>♦ Ensure regular meetings, the minutes of which are accurately recorded and where appropriate include the individual and collective views of the Directors.<br>♦ Facilitate and encourage discussions among all Directors in the decision making.<br>♦ Represent the views of the Board to the public | ♦ Formulate, obtain, approvals and implement the Company's strategies and managing the day-to-day operations of the Company.<br>♦ Developing and recommending budgets to the Board.<br>♦ Continuously monitoring and reporting to the Board on the performance of the Company.<br>♦ Establishing an optimum organizational structure which is appropriate for the execution of Company's Strategy.<br>♦ Compliance with all the applicable legal and regulatory obligations.<br>♦ Managing the financial and the business risk of the company's operations and identifying the potential risks of the company. |

# CORPORATE GOVERNANCE

## 2.2 BOARD SUB-COMMITTEES & AREAS OF OVERSIGHT

| GRI | 2-09 | 2-12 | 2-13 |
|---|---|---|---|

| Board Committee | Composition of Directors | Areas of Oversight |
|---|---|---|
| Audit and Risk Committee | ♦ Ms. D C Abeyawardena (C)*<br>♦ Mr. U P Egalahewa PC ***<br>♦ Professor N D Gunawardena* | ♦ Integrity of Financial Statements<br>♦ Risk management<br>♦ Business Ethics<br>♦ Internal Controls<br>♦ Compliance with legal and regulatory requirements<br>♦ External Audit<br>♦ Internal Audit |
| Remuneration Committee | ♦ Ms. D C Abeyawardena (C)*<br>♦ Mr. U P Egalahewa PC ***<br>♦ Professor N D Gunawardena*<br>♦ Mr. H A S Madanayake ** | ♦ The Company's remuneration philosophy and the principles of its remuneration policy<br>♦ Company's framework of executive remuneration<br>♦ The level and structure of remuneration for Senior Management |
| Related Party Transactions Review Committee | ♦ Professor N D Gunawardena (C)*<br>♦ Mr. G A K Nanayakkara (ED)<br>♦ Ms. D C Abeyawardena *<br>♦ Mr. U P Egalahewa PC*** | ♦ Related Party Transaction Policy<br>♦ Compliance with the CSE Regulations<br>♦ Disclosures on related party Transactions in the annual report |
| Nominations and Governance Committee | ♦ Ms. D C Abeyawardena (C)*<br>♦ Professor N D Gunawardena *<br>♦ Mr. H A S Madanayake **<br>♦ Mr. U P Egalahewa PC *** | ♦ Evaluate and recommend the appointment/re-appointment/election/re-election of Directors to the Board<br>♦ Establish and maintain a set of criteria for selection for higher levels of management.<br>♦ Succession planning<br>♦ Review and recommend the overall corporate governance framework of the entity. |

*(C) - Chairman* **(INED) - Independent Non-Executive Directors*** *(NED) - Non-Executive Directors **** *(ED) – Executive Director*

## 2.3 BOARD EVALUATION

GRI 2-18

At the commencement of each financial year, the Board in consultation with the Managing Director sets financial and non-financial goals based on the short, medium- and long-term objectives of the Company. The annual appraisal of the Managing Director is carried out by the Board at pre-agreed performance targets at the end of each financial year. The goals and targets of the Board of Directors set out are evaluated at the end of the year by the members. Further, the Board considers Non-Executive Directors' independence on an annual basis and concluded for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

## 2.7 ETHICS

Our values and code of ethics ensure that we do the right business in the right way, by complying with relevant laws which in turn enhances the trust placed on us by our stakeholders. Our Code of Conduct & Ethics is communicated to all the employees, detailing our Policies on Anti-Bribery & Corruption, Antiharassment and Whistle Blowing, which applies to all employees and covers all operations. It is aligned to our values, standards, and procedures. The Board is not aware of any material violations of any of the provisions of the Code of Conduct and Ethics by any Director or Corporate Management Member of the entity. Please refer to the Chairman's statement on Corporate Governance on page 88 for declaration that there is no violation of the code of conduct & ethics.

## 2.8 REMUNERATION

GRI 2-19 2-20

Our Remuneration Policy for the Board of Directors and Key Management Personnel seeks to motivate and reward performance while reinforcing the importance of complying with regulatory requirements, stakeholder expectations and corporate values. The remuneration committee consists of two independents Non – Executive Directors and the chairman of the Board (Non-Executive Director). The remuneration package of the MD is structured to link rewards to corporate and individual performance. Further, our remuneration framework for the MD is designed to create and enhance value for all stakeholders and to ensure there is strong alignment between the short term and long-term interest of the Company while taking into consideration the level of remuneration paid by the other comparable companies, performance and risk factors entailed in his job.

## 2.6 MANAGING CONFLICTS OF INTEREST

GRI 2-15

**BELOW PROCESSES IN PLACE TO IDENTIFY AND MANAGE CONFLICTS OF INTEREST**

### Directors' interest in transactions

All the Directors of the Company and its Subsidiaries are required to make the general disclosures annually as provided for in section 192(2) of the Companies Act. Note 28 to the Financial Statements dealing with related party disclosures includes details of their interests in transactions.

### Directors' interests in shares

Directors of the Company who owns relevant interests in the shares have disclosed their shareholdings and any acquisitions/disposals to their Boards, in compliance with section 200 of the Companies Act. Further, the relevant interests of each Director in the securities of the Company and any acquisition/disposals of same have been notified to the CSE in accordance with Section 7.8 of the Listing Rules.

### Related Party Transactions Review Committee

The Board has appointed a Related Party Transactions Review Committee comprising of two Independent Non-Executive Directors, A non-Executive Director and an Executive Director who meet quarterly to review Related Party Transactions during each quarter in line with the Continuing Listing Requirements of the CSE. The Committee met quarterly, and their report is given on pages 123.

# CORPORATE GOVERNANCE

## 3. BOARD CALENDER AND ACTIVITIES

The agenda and Board papers for the meetings are sent 7 days before the meeting, allowing members sufficient time to review the same. Urgent board papers are included on an exceptional basis. Care is taken to ensure that the Board spends sufficient time on matters critical to the company, as well as compliance matters. The Board is aware of the other commitments of its Directors and is satisfied that all Directors allocate sufficient time to enable them to discharge their responsibilities effective

### 3.1 BOARD AND SUB-COMMITTEE MEETING ATTENDANCE

| Name of Director | Directorship Status | Meeting attendance – Attended/Eligibility | | | | |
|---|---|---|---|---|---|---|
| | | Board | Audit and Risk Committee | Remuneration Committee | Related Party Transactions Review Committee | Nominations and Governance committee |
| Mr. H A S Madanayake | Chairman | 6/6 | N/A | 1/1 | N/A | N/A |
| Mr. G A K Nanayakkara | Managing Director | 6/6 | N/A | N/A | 4/4 | N/A |
| Prof. K A M K Ranasinghe (Resigned on 31/12/2024) | Independent Non-Executive Director | 5/6 | 4/5 | 1/1 | 3/4 | 1/1 |
| Prof. N D Gunawardena (Appointed on 01/01/2025) | Independent Non-Executive Director | 1/6 | 1/5 | 0/1 | 1/4 | 0/1 |
| Mr. U P Egalahewa PC | Non - Independent Non-Executive Director | 6/6 | 5/5 | 1/1 | 4/4 | 1/1 |
| Mrs. D C Abeyawardena | Independent Non-Executive Director | 6/6 | 5/5 | 0/1 | 4/4 | 1/1 |
| Mr. U G Madanayake (Resigned on 05/11/2024) | Non-Executive Director | 0/6 | N/A | N/A | N/A | 1/1 |
| Mr. K P P M Amarasiri (Appointed on 06/11/2024) | Non - independent Non-Executive Director | 1/6 | N/A | N/A | N/A | N/A |

### 3.2 KEY AREAS AND ACTIVITIES CONSIDERED IN 2024/25

During the year the board held six meetings. A synopsis of the key areas discussed is illustrated as follows:

**Strategy and Business**

- Review and approval of policies, key metrics, and structural changes
- Approval of significant investments
- Approval of annual budget
- Funding arrangements
- Approval of interim dividends for 2024/25

**Governance**

- Board Sub-Committee composition, resignations, nominations and appointments
- Board evaluations and action plan to implement recommendations
- Review of policy frameworks

**Risk and Oversight**

- Review of overall risk policy
- Approval of the quarterly Financial Statements and the Annual Report
- Compliance review
- Review of impacts from operating environment

**Stakeholder Engagement**

- Review of shareholder communications
- Review of feedback from institutional investors
- Review of regulatory reviews

### STATEMENT OF COMPLIANCE PERTAINING TO COMPANIES ACT NO. 7 OF 2007

#### MANDATORY PROVISIONS - FULLY COMPLIANT

| RULE | REQUIREMENT | COMPLIANCE STATUS | REFERENCE WITHIN THE REPORT |
|---|---|---|---|
| 168 (1) (a) | The nature of the business together with any change thereof | Yes | "About us". Page no: 04 |
| 168 (1) (b) | Signed financial statements of the Group and the Company | Yes | Financial Statements. Page no: 144 |
| 168 (1) (c) | Auditors' Report on financial statements | Yes | Independent Auditors' Report. Page no : 140 |
| 168 (1) (d) | Accounting policies and any changes therein | Yes | Notes to the Financial Statements. Page no : 151 |
| 168 (1) (e) | Particulars of the entries made in the Interests Register | Yes | Annual Report of the Board of Directors. Page no : 135 |
| 168 (1) (f) | Remuneration and other benefits paid to Directors of the Company | Yes | Notes to the Financial Statements. Page no : 195 |
| 168 (1) (g) | Corporate donations made by the Company and the Group | Yes | Notes to the Financial Statements. Page no : 189 |

# CORPORATE GOVERNANCE

| RULE | REQUIREMENT | COMPLIANCE STATUS | REFERENCE WITHIN THE REPORT |
|---|---|---|---|
| 168 (1) (h) | Information on the Directorate of the Company and its subsidiaries during and at the end of the accounting period | Yes | Direcor's Interest in Contracts with the Company. Page no : 139 |
| 168 (1) (i) | Amounts paid/payable to the External Auditor as audit fees and fees for other services rendered | Yes | Notes to the Financial Statements. Page no : 189 |
| 168 (1) (j) | Auditors' relationship or any interest with the Company and its Subsidiaries | Yes | Report of the Audit Committee. Page no : 119 |
| 168 (1) (k) | Acknowledgement of the contents of this Report and signatures on behalf of the Board | Yes | Financial Statements / Annual Report of the Board of Directors. Page no : 135 |

## STATEMENT OF COMPLIANCE UNDER SECTION 7.6 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON ANNUAL REPORT DISCLOSURE

### MANDATORY PROVISIONS - FULLY COMPLIANT

| RULE | REQUIREMENT | COMPLIANCE STATUS | REFERENCE WITHIN THE REPORT |
|---|---|---|---|
| 7.6 (i) | Names of the Directors of the Entity with profiles | Yes | Board of Directors Page no : 18 |
| 7.6 (ii) | Principal activities of the entity and its subsidiaries during the year, and any changes therein | Yes | About us Page no : 05 |
| 7.6 (iii) | The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held | Yes | Investor Information Page no : 204 |
| 7.6 (iv) | The float adjusted market capitalization, public holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the Minimum Public Holding requirement | Yes | Investor Information Page no : 206 |
| 7.6 (v) | A statement of each Director's holding and Chief Executive Officer's holding in shares of the Entity at the beginning and end of each financial year | Yes | Investor Information Page no : 205 |
| 7.6 (vi) | Information pertaining to material foreseeable risk factors of the Entity | Yes | Managing Risk Page no : 128 |
| 7.6 (vii) | Details of material issues pertaining to employees and industrial relations of the Entity | Yes | Human Capital Page no : 69 |

| RULE | REQUIREMENT | COMPLIANCE STATUS | REFERENCE WITHIN THE REPORT |
|---|---|---|---|
| 7.6 (viii) | Extents, locations, valuations, and the number of buildings of the Entity's land holdings and investment properties | Yes | Notes to the Financial Statements Page no ; 168 |
| 7.6 (ix) | Number of shares representing the Entity's stated capital | Yes | Notes to the Financial Statements Page no : 179 |
| 7.6 (x) | A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings | Yes | Investor Information Page no : 204 |
| 7.6 (xi) | Financial ratios and market price information | Yes | Five year summary Page No : 203 / Investor information page No : 206 |
| 7.6 (xii) | Significant changes in the Company's or its subsidiaries' fixed assets, and the market value of land, if the value differs substantially from the book value as at the end of the year | Yes | Notes to the Financial Statements Page no : 168 |
| 7.6 (xiii) | Details of funds raised through a public issue, rights issue, and a private placement during the year | N/A | The Company had no public issue, rights issue or private placement during the year under review |
| 7.6 (xiv) | Information in respect of Employee Share Ownership or Stock Option Schemes | N/A | The Company had no share option/ purchase schemes made available during the year under review |
| 7.6 (xv) | Disclosures pertaining to Corporate Governance practices in terms of Rules 7.10.3, 7.10.5 c. and 7.10.6 c. of Section 7 of the Listing Rules | Yes | Corporate Governance Page no : 90-93 |
| 7.6 (xvi) | Related Party transactions exceeding 10 per cent of the equity or 5 per cent of the total assets of the Entity as per audited financial statements, whichever is lower | Yes | Notes to the Financial Statements Page no : 196 |

# CORPORATE GOVERNANCE

## STATEMENT OF COMPLIANCE UNDER SECTION 9 OF THE LISTING RULES OF THE COLOMBO STOCK EXCHANGE (CSE) ON CORPORATE GOVERNACE

### MANDATORY PROVISIONS - FULLY COMPLIANT

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.1.3 | Statement confirming the extent of compliance with the Corporate Governance Rules | Yes | Chairman's Statement on Page no : 88 |
| 9.2.1 | Listed entities shall establish and maintain the following policies and disclose the fact of existence of such policies together with the details relating to the implementation of such policies by the entity on its website.<br>(a) Policy on matters relating to the Board of Directors<br>(b) Policy on Board Committees<br>(c) Policy on Corporate Governance, Nominations and Re-election<br>(d) Policy on Remuneration<br>(e) Policy on Internal Code of Business Conduct and Ethics for all Directors and employees, including policies on trading in theEntity's listed securities<br>(f) Policy on Risk Management and Internal Controls<br>(g) Policy on Relations with Shareholders and Investors<br>(h) Policy on Environmental, Social and Governance Sustainability<br>(i) Policy on Control and Management of Company Assets and Shareholder Investments<br>(j) Policy on Corporate Disclosures<br>(k) Policy on Whistleblowing<br>(l) Policy on Anti-Bribery and Corruption | Yes | The company Maintains such policies as per listing Rules 9.2.1 and published the same on the company website. |
| 9.2.2 | Any waivers from compliance with the Internal Code of business conduct and ethics or exemptions granted | Not Applicable | Company will be on Alert regarding such events and will be disclosed when required. |
| 9.2.3 | (I) List of policies in place as per Rule 9.2.1, with reference to website<br>(II) Any changes to policies adopted. | Yes | All policies are in place and published on the company website. |
| 9.2.4 | Listed entities shall make available all such policies to shareholders upon a written request being made for any such Policy | Yes | The company made available such policies to shareholders upon written request. |

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.3.1 | Listed entities shall ensure that the following Board committees are established and maintained at a minimum and are functioning effectively. The said Board committees at minimum shall include;<br>(a) Nominations and Governance Committee<br>(b) Remuneration Committee<br>(c) Audit and Risk Committee<br>(d) Related Party Transactions Review Committee. | Yes | The company has established all the mandatory sub committees.<br>Please refer the Page 92 of this report. |
| 9.3.2 | Listed entities shall comply with the composition, responsibilities and disclosures required in respect of the above-Board committees as set out in these Rules | Yes | Please refer the Board sub committees Report in Page 118-125 of this report and sections 9.11,9.12,9.13 & 9.14 below. |
| 9.3.3 | The Chairperson of the Board of Directors of the listed entity shall not be the Chairperson of the Board committees referred to in Rule 9.3.1 above | Yes | The Chairman of the Board does not act as chairman of any committee. |
| 9.4.1 | Listed entities shall maintain records of all resolutions and the following information upon a resolution being considered at any General Meeting of the Entity. The Entity shall provide copies of the same at the request of the Exchange and/or the SEC.<br>(a) The number of shares in respect of which proxy appointments have been validly made;<br>(b) The number of votes in favour of the resolution<br>(c) The number of votes against the resolution; and<br>(d) The number of shares in respect of which the vote was directed to be abstained | Yes | The company secretary maintains records of the said information and the company shall provide copies of the same at the request of the CSE & SEC. |
| 9.4.2 | Communication and relations with shareholders and investors:<br>(a) Listed entities shall have a policy on effective communication and relations with shareholders and investors<br>(b) Listed entities shall disclose the contact person for such communication.<br>(c) The policy on relations with shareholders and investors shall include a process to make all Directors aware of major issues and concerns of shareholders | Yes | The company already established and published a policy for communication and relations with shareholders in company website<br>The contact person has been appointed for such communication. please refer page 04 of this report. |

## CORPORATE GOVERNANCE

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.5.1 | Listed entities must establish and maintain a formal policy for their Board of Directors | Yes | The company maintains a formal policy in this regard covering the areas specified in section 9.5.1. |
| 9.5.2 | Listed entities shall confirm compliance with the requirements of the policy referred to in Rule 9.5.1 above in the Annual Report and provide explanations for any non-compliance with any of the requirements with reasons for such non-compliance and the proposed remedial action. | Yes | The company fully complied with the requirements in the policy. |
| 9.6.1 | The Chairperson of every Listed Entity shall be a Non-Executive Director and the positions of the Chairperson and CEO shall not be held by the same individual, unless otherwise a SID is appointed by such Entity in terms of Rule 9.6.3 below. | Yes | The Chairman of the Company is a non-Executive Director, and the functions of the MD and Chairman are separated.<br>Please refer the page 91 |
| 9.6.2 | A Listed Entity that is unable to comply with Rule 9.6.1 above shall make a Market Announcement within a period of one (1) month from the date of implementation of these Rules or an immediate Market Announcement from the date of non-compliance. | Not Applicable | The Company has already complied with the Rule 9.61 |
| 9.6.3 | The requirement for a SID | Not Applicable | The functions of the MD and Chairman are separated, |
| 9.7.1 | The listed entities shall take necessary steps to ensure that their Directors and the CEO are, at all times, fit and proper persons as required in terms of these Rules: In evaluating fitness and propriety of the persons referred in these Rules, listed entities shall utilize the “Fit and Proper Assessment Criteria” | Yes | The company obtains declarations from directors on an annual basis confirming that each of them have continuously satisfied the fit and proper assessment criteria as per the Rule. |
| 9.7.2 | Listed entities shall ensure that persons recommended by the Nominations and Governance Committee as Directors are fit and proper as required in terms of these Rules before such nominations are placed before the shareholders' meeting or appointments are made. | Yes | The Nominations and Governance Committee ensure that all directors fit and proper through Assessment of the Directors as per the listing rules. |
| 9.7.4 | Listed entities shall obtain declarations from their Directors and CEO on an annual basis confirming that each of them has continuously satisfied the Fit and Proper Assessment Criteria set out in these Rules during the financial year concerned and satisfies the said criteria as at the date of such confirmation. | Yes | During the year the company obtained confirmation from Directors and satisfied the fit and proper assessment criteria set out.<br>Please refer Board Evaluation in Page 93. |

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.7.5 | a) A statement that the Directors and CEO of the Entity satisfy the Fit and proper assessment criteria stipulated in the CSE<br>b) Any non-compliance and remedial actions taken by the Entity | Yes | Please refer the Nomination and governance committee report in the page 121-122 and Chairman's statement in page 88. |
| 9.8.1 | The Board of Directors of a listed entity shall, at a minimum, consist of five (05) Directors | Yes | The Board Consist of 06 Directors as of 31st March 2025.<br>Please refer the Board composition in Page 90. |
| 9.8.2 | Minimum Number of Independent Directors | Yes | The Board consists of two Independent Non-Executive Directors.<br>Please refer the Board composition in Page 90. |
| 9.8.5 | The Board of Directors of listed entities shall require:<br>(a) Each Independent Director to annually submit a signed and dated declaration of their "independence" or "non-independence"<br>(b) Annually assess the "independence" or "non-independence "of each Independent Director based on their declaration and other available information<br>(c) If the Board finds that the independence of an Independent Director is compromised according to the criteria in Rule 9.8.3, it should immediately issue a market announcement regarding this determination | Yes | Please refer the Board Evaluation in Page 93. |
| 9.9 | Requirements to be complied in relation to the Alternative Director | Not Applicable | Not Applicable |
| 9.10.1 | Listed entities shall disclose its policy on the maximum number of directorships its Board members shall be permitted to hold in the manner specified in Rule 9.5.1. In the event such a number is exceeded by a Director(s), the Entity shall provide an explanation for such non-compliance in the manner specified in Rule 9.5.2 above. | Yes | The maximum number of directorships permitted to hold has been specified in The policy on matters related to the Board.<br>During the year All directors are in compliance with the policy. |

## CORPORATE GOVERNANCE

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.10.2 | Listed entities shall, upon the appointment of a new Director to its Board, make an immediate Market Announcement setting out the following;<br>(i) a brief resume of such Director;<br>(ii) his/her capacity of directorship; and<br>(iii) Statement by the Entity indicating whether such appointment has been reviewed by the Nominations and Governance Committee of the Entity | Yes | During the year Professor N D Gunawardena and Mr. K P P M Amarasiri were appointed to the Board with the approval of NCG Committee and new director's profiles were announced in CSE immediately after the appointment. |
| 9.10.3 | Listed entities shall make an immediate Market Announcement regarding any changes to the composition of the Board Committees referred to in Rule 9.3 above containing, at minimum, the details of changes including the capacity of directorship with the effective date thereof. | Yes | Company made an immediate market Announcement as per the Rule 9.10.3 immediately after changes in board composition. |
| 9.10.4 | Listed entities shall also disclose the following in relation to the Directors in the Annual Report:<br>(a) name, qualifications and brief profile;<br>(b) the nature of his/her expertise in relevant functional areas;<br>(c) whether either the Director or Close Family Members has any material business relationships with other Directors of the Entity;<br>(d) whether Executive, Non-Executive and/or independent Director;<br>(e) the total number and names of companies in Sri Lanka in which the Director concerned serves as a Director and/or Key Management Personnel;<br>(f) number of Board meetings of the Listed Entity attended during the year;<br>(g) names of Board Committees in which the Director serves as Chairperson or a member;<br>(h) Details of attendance of Committee Meetings of theAudit, Related Party Transactions Review, Nominations and Governance and Remuneration Committees. Such details shallinclude the number of meetings held and the number attended by each member.; and,<br>(i) The terms of reference and powers of the SID<br>Listed entities shall have a Nominations and Governance Committee that conforms to the requirements set out in Rule 9.11 of these Rules. | Yes | Please refer the Below pages in This Report<br>Directors' profiles in Page 19-21.<br>Committee Meeting Reports in page 118-123.<br>Committee meeting Attendance on Page 94. |

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.11.1 | Listed entities shall establish and maintain a formal procedure for the appointment of new Directors and re-election of Directors to the Board through the Nominations and Governance Committee. | Yes | Nomination and governance committee have been established and maintain such formal procedures. |
| 9.11.2 | The Nominations and Governance Committee shall have written terms of reference clearly defining its scope, authority, duties, and matters pertaining to the quorum of meetings. | Yes | The committee has a board approved outlines the purpose, authority, and responsibilities of the committee. |
| 9.11.4 | Composition of the Committee Complied with as per section 9.11.4 the committee.<br>1 The members of the Nominations and Governance Committee<br>shall;<br>(a) comprise of a minimum of three (03) Directors of the Listed Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.<br>(b) It should not comprise of Executive Directors of the Entity.<br>2 An Independent Director shall be appointed as the Chairperson of the Nominations and Governance Committee by the Board of Directors.<br>3 The Chairperson and the members of the Nominations and the Governance Committee shall be identified in the Annual Report of the Entity. | Yes | The Entity Appointed the Nominations and Governance committee w.e.f 13th February 2024 complying with Rule 9.11.4<br>Please refer the Report of the Nominations and Governance committee in page 121. |
| 9.11.5 | Functions of the Nomination and Governance Committee | Yes | Please refer the Report of the Nominations and Governance committee in page 121. |
| 9.11.6 | Disclosures in Annual Report | Yes | Please refer the Report of the Nominations and Governance committee in page 121. |
| 9.12 | Listed entities shall have a Remuneration Committee that conforms to the requirements set out in Rule 9.12 of these Rules | Yes | Please refer the Report of the Remuneration committee in page 120 |

## CORPORATE GOVERNANCE

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.12.6 | 1 The members of the Remuneration Committee shall;<br>(a) comprise a minimum of three (03) Directors of the Entity, out of which a minimum of two (02) members shall be Independent Directors of the Listed Entity.<br>(b) not comprised of Executive Directors of the Listed Entity.<br>2 An Independent Director shall be appointed as the Chairperson of the Remuneration Committee by the Board of Directors. | Yes | Please refer the Report of the Remuneration committee in page 120 and the Remuneration policy in page 93. |
| 9.12.7 | 1 The Remuneration Committee shall recommend the Report on remuneration payable to the Executive Directors and CEO of the Listed Entity and/or equivalent position thereof to the Board of the Listed Entity which will make the final determination upon consideration of such recommendations.<br>2 The Remuneration Committee may engage any external consultant or expertise that may be considered necessary to ascertain or assess the relevance of the remuneration levels applicable to Directors and CEO. | Yes | Please refer the Report of the Remuneration committee in page 120 and the Remuneration policy in page 93. |
| 9.12.8 | Disclosure in Annual Report<br>(a) Names of the Chairperson and members of the Remuneration Committee and the nature of directorships held by such members (or persons in the parent company's Remuneration Committee in the case of a group company);<br>(b) A statement regarding the remuneration policy; and,<br>(c) The aggregate remuneration of the Executive and Non-Executive Directors | Yes | Please refer the Remuneration committee report in page 120 and Note 28.1 in the page 194. |
| 9.13.1 | Where Listed entities do not maintain separate Committees to perform the Audit and Risk Functions, the Audit Committee of such Listed entities shall additionally perform the Risk Functions set out in Rule 9.13 of these Rules. | Yes | The entity established an Audit and Risk committee and to perform the Risk functions. Please refer the Audit and Risk committee report in page 118-119. |

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.13.2 | The Audit Committee shall have written terms of reference clearly defining its scope, authority and duties | Yes | Please refer the Audit and Risk committee report in page 118-119. |
| 9.13.3 | Composition<br>1 The members of the Audit Committee shall;<br>(a) comprise of a minimum of three (03) directors of the Listed Entity, out of which a minimum of two (02) or a majority of the members, whichever higher, shall be Independent Directors.<br>(b) not comprise of Executive Directors of the Entity.<br>2 The quorum for a meeting of the Audit Committee shall require that the majority of those in attendance to be independent directors.<br>3 The Audit Committee may meet as often as required provided that the Audit Committee compulsorily meets on a quarterly basis prior to recommending the financials to be released to themmarket.<br>4 If both, the Parent Company and the subsidiary are 'Listed,entities', the Audit Committee of the Parent Company may function as the Audit Committee of the subsidiary<br>5 An Independent Director shall be appointed as the Chairperson of the Audit Committee by the Board of Directors.<br>6 Unless otherwise determined by the Audit Committee, the CEO and the Chief Financial Officer (CFO) of the Listed Entity shall attend the Audit Committee meetings by invitation.<br>7 The Chairperson of the Audit Committee shall be a Member of a recognized professional accounting body. | Yes | Please refer the Audit and Risk committee report in page 118-119. |
| 9.13.4 | Functions of the Audit Committee | Yes | Please refer the Audit and Risk committee report in page 118-119 for relevant disclosures. |
| 9.13.5 | Disclosures in Annual Report | Yes | Please refer the Report of theAudit and Risk Committee in page 118-119. |

## CORPORATE GOVERNANCE

| RULE NO. | REQUIREMENT | COMPLIANCE STATUS | DETAILS |
|---|---|---|---|
| 9.14.1 | Listed entities shall have a Related Party Transactions Review Committee (RPT) that conforms to the requirements set out in Rule 9.14 of these Rules | Yes | Please refer the Report of the Related party transaction review committee in page 123. |
| 9.14.2 | The Related Party Transactions Review Committee (RPT) shall comprise of a minimum of three (03) Directors of the Entity, out of which two (02) members shall be Independent Directors of the Listed Entity. It may also include executive directors, at the option of the Entity. An Independent Director shall be appointed as the Chairperson of the Committee | Yes | Please refer the Report of the Related party transaction review committee in page 123. |
| 9.14.3 | Functions of the Related Party Transaction Review Committee Review of the related Party Transactions by the committee | Yes | Please refer the Report of the Related party transaction review committee in page 123. |
| 9.14.6 | Shareholder Approval for the transactions as Specificized by the Rules 9.14.6.(1) – 9.14.6.(3) | Not Applicable | No transactions were made during the year which require shareholder approval |
| 9.14.7 | Disclosures | Yes | Entity has made relevant disclosures as required by the section |
| 9.14.8 | Disclosures in Annual Report | Yes | Please refer the Report of the Related party transaction review committee in page 123. |

## COMPLIANCE WITH THE CODE OF BEST PRACTICE ON CORPORATE GOVERNANCE ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA (CA SRI LANKA) IN 2023

### VOLUNTARY PROVISIONS

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| **A.1 An effective Board should direct, lead and control the company** | | | |
| A.1.1 | Regular Board meetings, provide information to the Board on a structured and regular basis | Yes | The Board generally meets on a quarterly basis, but more frequently whenever it is necessary.<br>Accordingly, four Board Meetings are scheduled annually to determine the Company's strategic direction, review the Company's operational and financial performances and to provide insight.<br>Ad-hoc meetings are also scheduled to discuss and review specific matters which require the attention of the Board between scheduled Board meetings.<br>Apart from taking decisions at Board meetings, the Board also takes decisions via circular resolutions which are required to be signed by all the Directors.<br>The attendance at Board meetings held during the financial year is set out on Board and subcommittee meeting attendance |
| A.1.2 | Role and Responsibilities of the Board | Yes | Role and responsibilities of the board is set out in Role of the chairman and MD |
| A.1.3 | Act in accordance with laws of the Country Independent professional advice | Yes | The Board collectively and the Directors individually act in accordance with the laws of the country of operation which are applicable to the business enterprise. The Board of Directors ensures that procedures and processes are in place to ensure that the Company complies with all applicable laws and regulations.<br>A procedure has been established for Directors to seek independent professional advice from external parties when necessary, at the expense of the Company. There were instances during the financial year under review that Board members sought such advice which were attended to by the Company. |
| A.1.4 | Access to advice and services of the Company Secretary | Yes | The Directors have access to the advice and services of the Board Secretary. The Board Secretary ensures that Board procedures, relevant statutory obligations and other applicable rules and regulations are complied with.<br>The Board Secretary has provided the Board with support and advice relating to Corporate Governance matters, Board procedures, and applicable rules and regulations during the financial year. The Board Secretary ensures that the Board members are provided with timely and accurate information to fulfill their duties<br>The appointment and removal of the Board Secretary is a decision taken by the Board as a whole. |

## CORPORATE GOVERNANCE

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| A.1.5 | Independent judgement | Yes | The Directors exercise independent judgment in all decisions pertaining to strategy, performance, resource allocation and standards of business conduct.<br><br>Non-Executive Directors are responsible for bringing independent and objective judgement and scrutinizing the recommendations/ proposals made by the corporate management led by the Managing Director on issues of strategy, performance, resource utilization and business conduct. |
| A.1.6 | Dedicate adequate time and effort to matters of the Board and the Company | Yes | The members of the Board dedicate adequate time and effort to fulfill their duties and responsibilities as Directors of the Company. In addition to attending Board meetings, they have attended Sub-Committee meetings and have also contributed to decision making through circular resolutions where necessary. The composition of Board Sub-Committees and Meeting attendance are mentioned under Board and subcommittee meeting attendance |
| A.1.7 | Calls for resolutions by at least 1/3rd of Directors | Yes | Any Director can call for a resolution to be presented to the Board if deemed necessary. |
| A1.8 | Board induction and Training | Yes | The Board recognizes the need for continuous training and expansion of knowledge and undertakes such professional development as they consider necessary in assisting them to carry out their duties as Directors.<br><br>Directors are therefore encouraged to participate in continuous professional and self-development activities.<br><br>In addition, an induction program is in place for newly appointed Directors to familiarize them with the Company's business operation and internal control system. |
| A.2 | Chairman and CEO | Yes | There should be a clear division of responsibilities between the Chairman and the Chief Executive Officer to ensure a balance of power and authority, in such a way that any individual has no unfettered powers of decisions.<br><br>The roles of the Chairman and Managing Director are segregated at Resus. The Chairman's main responsibility is to lead, direct and manage the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Managing Director is responsible for the day-to-day operations of the Company and the Group. |

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| A.3 | Chairman's role in preserving good corporate governance | Yes | The Chairman should lead and manage the Board, ensuring that it discharges its legal and regulatory responsibilities effectively and fully, and preserves order, and facilitates the effective discharge of the<br>Board function.<br>The Chairman in running the Board and facilitates the effective discharge of Board proceedings. All the Directors are encouraged to participate in decision making and their views are obtained to ensure that the Board functions in an efficient manner which is beneficial to the stakeholders and the Company.<br>The role of the Managing Director is mentioned on Role of the chairman and MD. |
| A.4 | Availability of financial acumen | Yes | The Board should ensure the availability within of those with sufficient financial acumen and knowledge to offer guidance on matters of finance.<br>The Board is equipped with members having sufficient financial acumen and knowledge.<br>Directors' qualification and experience are set out in Board of Directors. |
| A.5 | Board Balance | Yes | There should be a balance of Executive and Non-Executive Directors so that no individual or small group of individuals can dominate the Board's decision-making.<br>All Directors are Non-Executive Directors except the Managing Director. Each of them brings vast experience and the ability to exercise independence and judgment when taking informed decisions. |
| A.5.1 | The Board should include sufficient number of NEDs | Yes | The board consist with majority of NEDs where 5 are NEDs out of 6. |
| A.5.2 | If the Board includes only 3 NEDs, they should be independent | Not Applicable | The Board consists with 05 Non-Executive Directors. |
| A.5.3 | Independence of Directors | Yes | Independent Directors are independent of management and free of business dealings that may be perceived to materially interfere with the exercise of their unfettered and independent judgement. |
| A.5.4 | Annual declaration of independence by Directors | Yes | Independent Directors have submitted written declarations of their independence as required by Schedule J of the Code and section 9.8.5 of the Listing Rules. |

## CORPORATE GOVERNANCE

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| A.5.5 | Annual determination of independence of NEDs | Yes | The Board considers Non-Executive Directors' independence on an annual basis and concluded for the financial year that each of them continues to be free from any business or other relationship that could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment. |
| A.5.6 | Alternate Directors | Not Applicable | The Board does not includes any alternative Director. |
| A.5.7 & A.5.8 | Senior Independent Director (SID) | Not Applicable | A senior Independent Director has not been appointed by the Board as the Chairman and the Managing Director are separate persons.<br>The requirement to appoint a Senior Independent Director does not arise under the Code. |
| A.5.9 | Annual meeting with NEDs | Yes | The Chairman meets with the Non-Executive Directors without the presence of the Executive Director on a need basis. However, there were no formal specific meetings held with Non-Executive Directors during the year. |
| A.5.10 | Recording of dissent in minutes | Yes | All concerns raised by the Directors on matters of the Company and wished to be recorded have been duly recorded in the Board minutes with sufficient details. |
| A.6 | Supply of Information | Yes | Management should provide time-bound information in a form and of quality appropriate to enable the Board to discharge its duties.<br>Financial and non-financial information are analyzed and presented to the Board to make informed and accurate decisions. |
| A.7 | Appointments to the Board and Re-election | Yes | A formal and transparent procedure should be followed for the appointment of new Directors to the Board.<br>The Nomination and Governance committee assesses the suitability of the prospective nominees to the Board and approves the persons as "fit and proper" to serve as a member of the Board. |
| A.7.1 | Establishing a Nomination Committee, Chairman and Terms of Reference | No | The Board established a Nominations and Governance Committee on 13th February 2024 to make recommendations on Board appointments.<br>The committee has a board approved outlines the purpose, authority, and responsibilities of the committee within the organization. |
| A.7.2 | Annual assessment of Board composition | Yes | An assessment is made of the Board composition to ascertain whether the combined knowledge and experience of the Board matches the strategic demands facing the Company when considering new appointments to the Board. |

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| A.7.3 | Disclosures on appointment of new directors | Yes | Details of new Directors are disclosed to the shareholders at the time of their appointment by way of public announcements to the Colombo Stock Exchange as well as in the Annual Report, along with a brief resume of the Director. |
| A.8 | Directors to submit themselves for re-election | Yes | All Directors should submit themselves for re-election at regular intervals and at least once in every three years, and all Non-Executive Directors should be appointed for a specific term and subject to re-election. |
| A.9 | Appraisal of Board and sub-Committee Performances | Yes | The Board should periodically appraise its own performance against the pre-set targets to ensure that the Board responsibilities are satisfactorily discharged.<br><br>The Board carries out an evaluation of its performance in the discharge of its key responsibilities. Each member of the Board and Board Sub-Committees carried out a self-assessment of his own effectiveness as an individual as well as effectiveness of the Board as a team. |
| A.10 | Annual Report to disclose specified information regarding Directors | Yes | Details in respect of each Director should be disclosed in the Annual Report for the benefit of the shareholders and disclosed under Board of Directors. |
| A.11 | Appraisal of the CEO | Yes | The Board of Directors should at least annually assess the performance of the Chief Executive Officer.<br><br>At the commencement of each financial year, the Board, in consultation with the Managing Director sets financial and non-financial goals based on the short-, medium- and long-term objectives of the Company.<br><br>The annual appraisal of the Managing Director is carried out by the Board at pre-agreed performance targets at the end of each financial year. |
| **B. Directors Remuneration** | | | |
| B.1 | Establish process for developing policy on executive and director remuneration. | Yes | The Remuneration Committee makes recommendations to the Board regarding a remuneration policy for the Executive Director and the corporate management team that is consistent with the objectives of the Company. |
| B.2 | Level and Make Up of Remuneration | Yes | The Board makes assessments on the fact that the remuneration of Executive and the Non-Executive Directors reflects the market expectations and is sufficient to attract and retain the quality of Directors needed run the Company.<br><br>The remuneration package of the Managing Director is structured to link rewards to corporate and individual performance, ensuring there is strong alignment between the short-term and long-term interests of the Company. |

## CORPORATE GOVERNANCE

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| B.3 | Disclosures related to remuneration in Annual Report<br>- Remuneration Policy statement<br>- Aggregate Board remuneration paid<br>- HRRC report | Yes | The Company should disclose the Remuneration Policy and the details of Remuneration of the Board as a whole.<br>Remuneration policy is disclosed in the Report of the Remuneration Committee.<br>The total remuneration paid to the Directors is disclosed in note to the Financial Statements. |
| **C. Relations with Shareholders** | | | |
| C.1 | Constructive use of the AGM and Other General Meetings | Yes | The Notice of the Annual General Meeting and the relevant documents are published and dispatched to the shareholders 15 working days prior to the meeting as required by Section 135(1) of the Companies Act No. 7 of 2007.<br>The Company proposes a separate resolution for each item of business at the Annual General Meeting giving shareholders the opportunity to vote on each issue separately. |
| C.2 | Communication with shareholder | Yes | The Company disseminates information pertaining to the performance of the Company through the publication of the Interim Financial Statements and the Annual Report in a timely manner. Information is provided to the shareholders prior to the Annual General Meeting to give them an opportunity to raise any issues relating to the business of Resus, either verbally or in writing prior to the Annual General Meeting. Immediate announcements are also made to the Colombo Stock Exchange on any information which is considered price sensitive. The Company Secretary could be contacted in relation to any shareholder matter. |
| C.3 | Disclosure of major and material transactions | Yes | The Directors ensure that any transaction that would materially affect the net asset base of the Company or Group is communicated to the shareholders and required approvals are obtained in accordance with the Statutes. There were no major or material transactions during the year, which materially affected the net asset base of the Company. |
| **D. Accountability and Audit** | | | |
| D. 1 | Present a balanced and understandable assessment of the Company's financial position, performance, and prospects | Yes | Resus Energy PLC has reported a true and fair view of its financial position and performance for the year ended 31st March 2025 and at the end of each quarter of 2024/25 financial year. |
| D1.1 | Balanced Annual Report | Yes | The Board ensures that the quarterly and annual Financial Statements of the Company and Group are prepared and published in compliance with the requirements of the Companies Act No. 7 of 2007, Sri Lanka Accounting Standards (LKASs and SLFRSs) and the Rules of the Colombo Stock Exchange. |

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| D.1.2 | Balanced and understandable communication | Yes | The responsibility statement of the Managing Director and Head of Finance has been set out declaring that the financial records of the Company have been properly maintained and are following relevant accounting standards and that the system of risk management and internal control operates effectively. |
| D.1.3 | CEO/CFO declaration | Yes | |
| D.1.4 | Directors Report declarations | Yes | The "Annual Report of the Board of Directors" which covers all areas of this Section.<br>The declarations required to be made by the Board is given in the Annual Report of the Board of Directors. |
| D.1.5 | Financial reporting -statement on board responsibilities Statement on internal control | Yes | "Statement of Directors' Responsibilities in relation to Annual Financial Statements" in preparation of the Financial Statements is given on page 134 of this Report while the "Independent Auditors' Report" on page 140-143 states the Auditors' Responsibility for the Financial Statements. The "Directors' Statement on Internal Control" is given on page 117. |
| D.1.6 | Management Discussion & Analysis | Yes | A Management Discussion and Analysis is contained in the "Managing Director's Review" on page 14-17 and Capitals Reports on page 47-86 and Risk Management Report on page 126-132. |
| D.1.7 | Net Assets < 50% | Yes | In the unlikely event of the net assets of the company falling below 50% of Shareholders Funds the Board will summon an Extraordinary General Meeting (EGM) to notify the shareholders of the position and to explain the remedial action being taken. Likelihood of such occurrence is remote. |

## CORPORATE GOVERNANCE

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| D.1.8 | Related Party Transactions | Yes | The Directors have instituted an effective and comprehensive system of Internal Controls for identifying, recording and disclosure of related party transactions.<br><br>Steps have been taken by the Board to avoid any conflict of interest that may arise, in transacting with related parties. Further, the Board ensures that no related party benefits from favorable treatment. The pricing applicable to such transactions is based on the assessment of risk and pricing model of the Company and is comparable with that what is applied to transactions between the Company and its unrelated parties.<br><br>Related Party Transactions Review Committee was established by the Board w.e.f 1st January 2016 in accordance with the guidelines of the Code of Best Practices on Related Party Transactions issued by the Securities andExchange Commission of Sri Lanka.<br><br>Related Party Transactions Review policy and procedures are discussed in the Related Party Transactions Review Committee report.<br><br>All related party transactions as defined in Sri Lanka Accounting Standard-24 (LKAS 24) on "Related Party Transactions" are disclosed in note to the Financial Statements |
| D.2 | Process of risk management and a sound system of internal control to safeguard shareholders' investments and the Company's assets Report of the Audit and Risk Committee Directors' Statement of Internal Control | Yes | The Board is responsible for establishing a sound framework of risk management and internal control and monitoring its effectiveness on a continuous basis. Through such an effective framework, Resus manages business risks and ensures that the financial information on which business decisions are made and published is reliable and ensures that the Company's assets are safeguarded against unauthorized use or disposition.<br><br>The Board has appointed a three-member Audit and Risk Committee comprising of Non-Executive Directors with majority of them are Independent.<br><br>The Audit and Risk Committee on quarterly basis reviews the Risk Register of the Company and the Group in the context of likelihood and their impact to the Group along with the effectiveness of the system of internal controls to address them to a satisfactory level. Strategies adopted by the Company to manage its risk are set out in the risk management report. |

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| D.3 | Audit Committee | Yes | Refer page 92 for the Directors who served on the Audit Committee during 2024/25.<br><br>The said Committee met five times during the year. The Board Secretary functions as the Secretary to the Audit Committee.<br><br>The Managing Director, Chief Financial Officer, and the External and Internal Auditors attend meetings on invitation. |
| D.4 | Related Party Transactions Review Committee | Yes | Refer page 92 for the Directors who served on the Related Party Transactions Review Committee during 2024/25.<br><br>The said Committee met four times during the year. The Board Secretary functions as the Secretary to the Related Party Transactions Review Committee. |
| D.5 | Code of Business Conduct and Ethics | Yes | The Company has adopted a Code of Business Conduct and Ethics, and the Directors are committed to the Code and the principles contained therein.<br><br>A set of guidelines for ethical behavior has also been compiled to assist employees to act responsibly and to make the correct decisions in their day-to-day work. The Code of Conduct explains the principles for dealing with business associates, general partners, colleagues, and the community in which the Company operates.<br><br>The Corporate Governance Report sets out the manner and extent to which the Company has complied with the principles and provisions of the Code.<br><br>The Board is not aware of any material violations of any of the provisions of the Code of Business Conduct and Ethics by any Director or any corporate management member of the Company. |
| D.6 | Corporate Governance Disclosures | Yes | This requirement is met through the presentation of this report. |

## CORPORATE GOVERNANCE

| Code Ref. | Requirement | Status of Compliance | Level of Compliance/ Reference within the Report |
|---|---|---|---|
| E/F | Institutional and other investors | Yes | The Company is committed to maintaining good communication with investors. The Chairman conducts a structured dialogue with the shareholders based on the mutual understanding of objectives and ensures that the views of the shareholders are communicated to the Board as a whole.<br><br>The Annual General Meeting is used to have an effective dialogue with the shareholders on matters which are relevant and concern to the general membership.<br><br>The Managing Director has regular discussions with key institutional shareholders to share highlights of the Company's performance and with the view to obtaining constructive feedback. The feedback obtained from institutional shareholders is communicated to the entire Board by the Managing Director.<br><br>Individual shareholders are encouraged to carry out adequate analysis and seek independent advice prior to investing or divesting directly in shares of the Company.<br><br>All shareholders are encouraged to participate at meetings of the Company and a Form of Proxy accompanies each Notice providing shareholders who are unable to attend such meeting the opportunity to cast their vote. |
| H | Principals of Sustainability Reporting | Yes | Please refer our Value Creation model on page 40-41 Capitals Reports on page 47-86 and GRI Index and Sustainability standards on page 207-214. |

# DIRECTORS' STATEMENT ON INTERNAL CONTROLS

## REQUIREMENT

The 'Code of Best Practice on Corporate Governance 2023' (The Code) issued jointly by the Securities and Exchange Commission and the Institute of Chartered Accountants of Sri Lanka recommends that the Board of Directors present a statement on internal controls.

## RESPONSIBILITY

The Board of Directors is responsible for the Company's system of internal controls and for reviewing its design and effectiveness to ensure shareholders' investments and Company's assets are safeguarded. The Board has delegated this responsibility to the Audit and Risk Committee for review and to report any findings and concerns in this regard.

## INTERNAL CONTROL PROCESS

The Audit and Risk Committee of Resus Energy PLC adopts a continuous review protocol to ensure the system of internal controls both at Company level and individual subsidiary levels are operating effectively. The Committee obtains quarterly operational compliance certificates signed by each Senior Manager of the respective functional areas and the Managing Director's confirmation that the system of internal control of the Group functions without major control weaknesses and breakdowns. The Audit and Risk Committee carries out annual independent discussions with both external and internal auditors of the Company and reports to the Board of Directors of any material control aspects revealed from such discussions for immediate attention of the Board.

There is an ongoing process in every Audit and Risk Committee meeting agenda to review the risk matrix of the Company and the Group to continuously identify, evaluate, and manage risks faced by the Group. The risk register requires the management to identify all risks at Company level and individual subsidiary levels and prioritize risks based on the set rating framework. The Audit and Risk Committee reviews the risk rating and obtains explanations from the Managing Director and functional heads regarding any updates and risk responses. The risk register with the comments of the Audit Committee is tabled at Board meetings and Board discussions are carried out to ensure appropriate procedures are in place to evaluate and manage the identified risks. The Board ensures that the disclosures of risks and mitigation actions provide meaningful, information for facilitating the decision makers about the Company and do not give a misleading impression for their decisions.

## STATEMENT OF CONFIRMATION

Based on the said processes, the Board of Directors of Resus Energy PLC confirms that the financial reporting system of the Company and the Group has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance with applicable Accounting Standards and regulatory requirements.

By order of the Board,

**D C Abeywardena**
Chairperson-Audit and Risk Committee

**R M S Tillakawardana**
Chief Financial Officer

**G A K Nanayakkara**
Managing Director

**H A S Madanayake**
Chairman

Colombo, Sri Lanka
31st July 2025

# REPORT OF THE AUDIT AND RISK COMMITTEE

## COMPOSITION OF THE COMMITTEE

The Audit and Risk Committee appointed by and responsible to the Board of Directors comprises of the following whose profiles are given on page 19-21.

**Ms. D C Abeywardena***
Chairperson

**Mr. U P Egalahewa PC****

**Professor N D Gunawardena***
(Appointed w.e.f 01st January 2025)

**Professor K A M K Ranasinghe***
(Resigned w.e.f 31st December 2024)

**Independent Non-Executive Director*
***Non-Independent Non-Executive Director*

## REGULAR ATTENDEES BY INVITATION

**Mr. G A K Nanayakkara**
Managing Director

**Mr. R M S Tillakawardana**
Chief Financial Officer

## SECRETARY TO THE COMMITTEE

Nexia Corporate Consultants (Pvt) Limited

## MEETINGS AND ATTENDANCE

During the financial year the Committee held five meetings. The attendance of the members at the meetings are as follows.

| Name | Attendance |
|---|---|
| Ms. D C Abeywardena | 5/5 |
| Mr. U P Egalahewa PC | 5/5 |
| Professor K A M K Ranasinghe | 4/5 |
| Professor N D Gunawardena | 1/5 |
| Nexia Corporate Consultants (Pvt) Limited | 5/5 |

The proceedings of the Audit and Risk Committee are reported to the Board.

## ROLE OF THE COMMITTEE

The role and the responsibilities of the Audit and Risk Committee are outlined below.

1. The Integrity of the Financial Statements of both Company and the Group which includes reasonable assertions, appropriate accounting policies and adequacy of presentation and disclosures in accordance with the Sri Lanka Accounting Standards .
2. Management of the internal audit function of the Company to ensure the company has adequate internal controls and risk management initiatives.
3. Review of External Auditors' performance and independence.
4. Ensure the company complies with legal and regulatory requirements.

## COMPLIANCE WITH FINANCIAL REPORTING

The Committee discusses the Company's quarterly and annual Financial Statements prior to publication with the management and the External Auditors, including the extent of compliance with Sri Lanka Accounting Standards (LKASs and SLFRSs), and the adequacy of disclosures required by other applicable laws, rules, objectives and guidelines. The Audit and Risk Committee also regularly discusses the operations of the Company and its prospects with the management and is satisfied that all relevant matters have been considered in the preparation of the Financial Statements. The Audit Committee performs the following.

- Oversee the preparation, presentation, and adequacy of disclosures in the Financial Statements in accordance with the LKASs and SLFRSs
- Review of appropriateness and changes in Accounting Policies
- Review significant estimates and judgments made by the management.
- Oversee compliance with financial reporting related to regulations and requirements.
- Oversee the processes to ensure that internal controls and risk management measures are adequate.
- Assess the independence and performance of the external Auditors.
- Recommend to the Board the appointment, re-appointment and removal of the External Auditors and approval of their remuneration and terms of engagement.
- Report to CSE on any matters referred to the Board which were not satisfactorily resolved.
- Review of the Company's ability to continue as a Going Concern.

## INTERNAL AUDIT, RISKS AND CONTROLS

The focus of the Internal Audit is to provide independent assurance on the overall system of internal controls, business and associated risk management and governance based on internal controls, and compliance with laws and regulations and established policies and procedures of the Group. Accordingly, B.R. De Silva & Co appointed as the internal Auditors of the Listed Entity. The Audit & Risk Committee monitors and reviews the scope of the Internal Audit plan, the follow-up actions taken by the management on recommendations of Internal Auditors, and the effectiveness of the Internal Audit function.

The Audit & Risk Committee also reviews the processes for the identification, evaluation and management of all significant development and operational risks faced by the Group. The Committee reviews the Risk Register on a quarterly

basis in order to identify and assess the risks attached to different areas of operation and the effectiveness of internal controls. Formal confirmations and assurances are obtained from management regularly regarding the efficiency of the internal control system and risk management system, and compliance with applicable laws and regulations. The Board of Directors and Audit & Risk Committee obtain and are guided by technical advice from external consultants as required.

The key risks associated with the business are given in the Enterprise Risk Management Report on page126-132.

## INDEPENDENT EXTERNAL AUDITORS

Ernst & Young were appointed as the External Auditors of the Company and its Subsidiaries. Audit plans and the scope of work and a letter of engagement are formulated in consultation with the Finance Division of the Company.

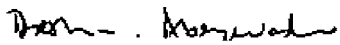
The Committee is satisfied that the independence of the External Auditors has not been adversely influenced by any event or service that could result in a conflict of interest. Due consideration has been given to the level of audit and non-audit fees received by the External Auditors from Resus Energy PLC and its Subsidiaries.

The Committee meets the External Auditors on an annual basis and reviews their findings.

The performance of the External Auditors has been discussed with the senior management of the Company and the Audit Committee has recommended to the Board that Ernst & Young, Chartered Accountants be re-appointed as External Auditors of Resus Energy PLC for the financial year ending 31st March 2025, subject to approval by the shareholders at the Annual General Meeting.

## CONCLUSION

Based on the reports submitted by the External Auditors, the Internal Auditors and the Risk Management system of the Company, the Audit and Risk Committee is satisfied with the control environment, and of the implementation of the Group's accounting policies and operational controls and the financial position of the Group and is confident that the financial position of the Group is secure.



**D.C Abeywardena**
Chairperson-Audit and Risk Committee

Colombo, Sri Lanka
31st July 2025

# REPORT OF THE REMUNERATION COMMITTEE

## COMPOSITION OF THE COMMITTEE

The committee was established for the purpose of recommending to the board, a remuneration policy aligned with company's strategy, objectives and values whilst considering the interests of the shareholders. The Committee further approves the remuneration of the members of the Senior Management on the recommendations made by the Managing Director. The committee consists of the following members whose profiles are given on page 19-21.

**Ms. D C Abeywardena***
Chairperson
(Appointed w.e.f 01st January 2025)

**Mr. U P Egalahewa PC*****

**Professor K A M K Ranasinghe***
(Resigned w.e.f 31st December 2024)

**Professor N D Gunawardena***
(Appointed w.e.f 01st January 2025)

**Mr. H A S Madanayake****

**Independent Non-Executive Director*
***Non-Executive Chairman*
****Non-Independent Non-Executive Director*

## REGULAR ATTENDEES BY INVITATION

**Mr G A K Nanayakkara**
Managing Director

**Ms Wasana Katugampala**
Manager-Human Resources

## SECRETARY TO THE COMMITTEE

Nexia Corporate Consultants (Pvt) Limited

| Name | Attendance |
|---|---|
| Mr U P Egalahewa PC | 1/1 |
| Professor K A M K Ranasinghe | 1/1 |
| Professor N D Gunawardena | 0/1 |
| Mr H A S Madanayake | 1/1 |
| Nexia Corporate Consultants (Pvt) Limited | 1/1 |

## ROLE AND RESPONSIBILITIES OF THE COMMITTEE

- Determine and recommend to the Board, the Company's remuneration philosophy and its principles, ensuring that these are in line with the business strategy, objectives, values and long-term interests of the Company.
- Make recommendations to the Board on the Company's framework of executive remuneration and its cost, and to determine on behalf of the Board specific remuneration packages and conditions of employment (including compensation entitlements) for Executive Directors
- Make recommendations to the Board and monitor the level and structure of remuneration for Senior Management
- Make recommendations to the Board regarding the content of the Board's Annual Report to shareholders on Directors' Remuneration (including the Company's policy on Executive Director's remuneration, details of individual remuneration and other terms and conditions)

## ADVISERS

The Committee is authorized by the Board to seek appropriate professional advice inside and outside the Company as and when it considers this necessary.

## REMUNERATION POLICY

### Executive Directors

The Remuneration for the Executive Directors including the Managing Director and Key management Personnel are determined upon an evaluation of their performance, market comparators for similar positions and the Company's policy for Compensation and Benefits. The Committee ensures that the Remuneration policy creates and enhances value for all stakeholders and there is a strong alignment between short-term and long-term interest of the Company.

### Non-Executive Directors

All Independent Non-Executive Directors receive a fee for serving on the Board and serving on Sub-Committees. They do not receive any performance-related incentive payments.

The Company does not have an Employee Share Ownership Plan for Directors and Key Management Personnel (KMPs).

The Remuneration paid to Directors during the year under review is indicated in note 28.1 to the Financial Statements.

## CONCLUSION

The annual evaluation of the Committee was carried out by the Board during the year, and it was concluded that the Committee continues to operate effectively.



**D C Abeywardena**
Chairperson-Remuneration Committee

Colombo, Sri Lanka
31st July 2025

# REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

The Company established the Nominations and Governance Committee (NGC) on 13th February 2024 as a Board Sub-Committee to conform with the requirements set out in Rule 9.11 of the Listing Rules of the Colombo Stock Exchange.

## COMPOSITION OF THE COMMITTEE

The committee consists of the following members whose profiles are given on page 19-21.

**Ms. D C Abeywardena***
Chairperson

**Mr. U P Egalahewa PC****

**Professor K A M K Ranasinghe***
(Resigned w.e.f 31st December 2024)

**Professor N D Gunawardena***
(Appointed w.e.f 01st January 2025)

**Mr. H A S Madanayake****

**Independent Non-Executive Director*
***Non-Executive Chairman*
**** Non-Independent Non-Executive Director*

## SECRETARY TO THE COMMITTEE

Nexia Corporate Consultants (Pvt) Limited

## MEETINGS.

| Name | Attendance |
|---|---|
| Mr U P Egalahewa PC | 2/2 |
| Professor K A M K Ranasinghe | 2/2 |
| Professor N D Gunawardena | 2/2 |
| Mr H A S Madanayake | 2/2 |
| Nexia Corporate Consultants (Pvt) Limited | 2/2 |

## OBJECTIVE

This committee was formed to ensure that the Company complies with the requirements of the Code of Best Practice on Corporate Governance and the Listing Rules issued by the Colombo Stock Exchange with effect from 1st October 2023.

## TERMS OF REFERENCE (TOR)

The committee has a board approved outlines the purpose, authority, and responsibilities of the committee within the organization.

The NGC's TOR's have been formulated in line with Section 9 of the Colombo Stock Exchange rules on Corporate Governance and on Fitness and Propriety.

## FUNCTIONS OF THE COMMITTEE

- Evaluate the appointment of the Directors.
- Consider and recommend (or not recommend) the re-appointment / re-election of current Directors.
- Establish and maintain formal and transparent procedures to evaluate, select and appoint/ re-appoint Directors.
- Evaluation of the performance of the Board, Sub committees, Individual directors, and the Managing Director.
- Develop a succession plan for the Board of Directors and the Key Management Personnel of the Entity.
- Review the structure, size and composition of the Board and Board Committees regarding effective discharge of duties and responsibilities.
- Review and recommend the overall corporate governance framework and periodically update and review it.

## ROLE OF THE COMMITTEE

The main role of the Committee is to ensure that Directors/KRPs of the Company are fit and proper people to hold office as per the criteria set out in the Listing Rules of the Colombo Stock Exchange and other relevant Statutes. The Company committed to

maintain Board diversity in the range of experience, skills, age, and gender which are essential factors for effective Board performance; the profiles of the Directors capturing details are available on pages 19 to 21 of this report.

The Company is in the process of formulating structured Induction programs/ orientation programs to be conducted for newly appointed Directors as well as on a continuous basis on corporate governance, Listing Rules, securities market regulations and other applicable laws and regulations.

## ACTIVITIES – 2024/25

The NGC carried out a fit and proper assessment of new Board Members – Professor N D Gunawardena and Mr. K P P M Amarasiri. Accordingly, new Directors were deemed Fit and Proper and as such eligible for re-election at the 1st Annual General Meeting following their appointment. Accordingly, shareholders will be invited to re-elect them at the upcoming Annual General Meeting. In Terms of Article 24(6) of the Articles of the Association of the company, 1/2 of the Directors are subject to retirement by rotation annually. Accordingly, Mr. U P Egalahewa and Ms. D C Abeywardena and Mr. G A K Nanayakkara will be subject to retirement by rotation at the upcoming

# REPORT OF THE NOMINATIONS AND GOVERNANCE COMMITTEE

Annual General Meeting. Disclosed in terms of Corporate Governance Rules 9.11.6 (g) - Information of Directors proposed to be re-elected at the Annual General Meeting 2025.

| Name of the Director | Date of Appointment | Date of Last Re-appointment | Board Committee memberships |
|---|---|---|---|
| **Ms. D C Abeywardena** | 25th July 2019 | 22nd September 2023 | **Chairman** – Audit and Risk Committee, Remuneration Committee, Nomination and Governance Committee.<br>**Member** – Related party transactions Review Committee |
| **Professor N D Gunawardena** | 1st January 2025 | 1st Re-appointment | **Chairman** – Related party transactions Review Committee<br>**Member** – Audit and Risk Committee, Remuneration Committee, Nomination and Governance Committee |
| **Mr. U P Egalahewa PC** | 19th January 2015 | 22nd September 2023 | **Member** – Audit and Risk Committee/ Remuneration Committee/Nomination and Governance Committee/ Related party transactions Review Committee |
| **Mr. K P P M Amarasiri** | 5th November 2024 | 1st Re-appointment | None |
| **G A K Nanayakkara** | at the inception | 2nd September 2023 | **Member** – Related party transactions Review Committee |

Directorships/ Chairpersonships and other principal commitments both present and those held over the preceding three years in other Listed Entities appear under profiles of each Director appearing on page 19-21.

None of the Directors have any relationships including close family relationships between the candidate and the directors, the Listed Entity or its shareholders of the Listed Entity.

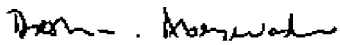
## REPORTING TO THE BOARD

The proceedings of the NGC meetings are regularly reported to the Board via the Committee Chair outlining proceedings, outcomes and recommendations.

The minutes of NGC meetings are also tabled at successive Board meetings, for informational purposes.

## DECLARATION

The committee has been assured that the directors of the entity meet the criteria for determining the Independence and Corporate Governance requirements stipulated under the listing rules of the CSE have been met.



**D C Abeywardena**
Chairperson-Nominations and Governance Committee

Colombo, Sri Lanka
31st July 2025

# REPORT OF THE RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The Company established the Related Party Transactions Review Committee (RPTRC) on 31st December 2015 as a Board Sub-Committee in accordance with section 9 of the Listing Rules of the Colombo Stock Exchange.

## COMPOSITION OF THE COMMITTEE

The committee consists of the following members whose profiles are given on page 19-21.

**Professor N D Gunawardena***
Chairman (Appointed w.e.f 01st January 2025)

**Mr U P Egalahewa PC****

**Professor K A M K Ranasinghe***
(Resigned w.e.f 31st December 2024)

**Mr G A K Nanayakkara**
Managing Director

**Ms D C Abeywardena***

**Independent Non-Executive Director*
***Non-Independent Non-Executive Director*

## REGULAR ATTENDEES BY INVITATION

**Mr. R M S Tillakawardana**
Chief Financial Officer

## SECRETARY TO THE COMMITTEE

Nexia Corporate Consultants (Pvt) Limited

## MEETINGS.

| Name | Attendance |
|---|---|
| Mr U P Egalahewa PC | 4/4 |
| Professor K A M K Ranasinghe | 3/4 |
| Mr G A K Nanayakkara | 4/4 |
| Professor N D Gunawardena | 1/4 |
| Ms D C Abeywardena | 4/4 |
| Nexia Corporate Consultants (Pvt) Limited | 4/4 |

The Committee held four meetings during the financial year. The meeting minutes were documented and communicated to the Board of Directors on a timely basis. A comprehensive report on related party transactions is submitted to the Committee. Any concerns of the Committee will be reported to the Board of Directors on a continuous

## OBJECTIVE

This committee was formed to ensure that the interests of Shareholders are considered by the entity when entering to the related Party transactions and the entity complies with the requirements of the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka with effect from 1st January 2016 which is part of the CSE Listing Rules.

The Committee specifies a process to capture related party transactions and to report to the Board of Directors.

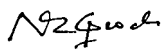
## ROLE OF THE COMMITTEE

- Recommend and develop terms of reference of the RPTRC for adoption by the Board of Directors of the Company.
- Review of related party transactions as required in terms of the provisions set out in Section 9 of CSE Rules.
- Make recommendations to obtain shareholder approval for applicable related party transactions as per the provisions in the Code and Section 9 of CSE Listing Rules.
- Obtain 'competent independent advice' from independent professional experts regarding the value of the substantial assets of the related party transaction under consideration.
- Make immediate market disclosures on applicable related party transactions as required by the Listing Rules of CSE.
- Make appropriate disclosures on related party transactions in the Annual Report as required by CSE Listing Rules.

## DECLARATION

The Committee declares that all the related party transactions given on page 196 of the annual report have been reviewed and communicated to the board and relevant stakeholders.

Further the committee confirms the compliance of the Related Party Transactions with Rule 9.3.2 (d) of the listing rules of the Colombo Stock Exchange and rules in the code of best practice on related party transactions.



**Professor N D Gunawardena**
Chairman-Related Party Transactions Review Committee

Colombo, Sri Lanka
31st July 2025

# RESPONSIBILITY STATEMENT OF MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

## COMPLIANCE WITH LAWS AND REGULATIONS

The Financial Statements of Resus Energy PLC (the Company) and the Consolidated Financial Statements of the Company and its subsidiaries (the Group) for the year ended 31st March 2025 are prepared and presented in compliance with the requirements of the following:

- Sri Lanka Accounting Standards issued by The Institute of Chartered Accountants of Sri Lanka (SLFRS/ LKAS),
- Companies Act No. 07 of 2007,
- Listing Rules of the Colombo Stock Exchange,
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and
- Code of Best Practice on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

## FINANCIAL REPORTING

The Significant Accounting Policies used in the preparation of the consolidated Financial Statements are appropriate and are consistently applied, except unless otherwise stated in the notes accompanying the Financial Statements. The Significant Accounting Policies and estimates that involved a high degree of judgment and complexity were discussed with the Audit and Risk Committee and Company's External Auditors. There are no departures from the prescribed Accounting Standards in their adoption. Comparative information has been reclassified wherever necessary to comply with the current presentation.

The Board of Directors and the management of the Company accept responsibility for the integrity and objectivity of these Financial Statements. The estimates and judgments relating to the Financial Statements were made on a prudent and reasonable basis, in order that the Financial Statements reflect a true and fair view, and the form and substance of transactions reasonably present the Company's state of affairs.

We confirm that to the best of our knowledge, the Financial Statements, significant Accounting Policies and other financial information included in this Annual Report, fairly present all material aspects regarding the financial position, results of the operations and the Cash Flows of the Group during the year under review. We also confirm that the Group has adequate resources to continue in operation and have applied the Going Concern basis in preparing these Financial Statements.

## SYSTEM OF INTERNAL CONTROL

The Company has taken proper and sufficient care in installing a system of internal control and accounting records, for safeguarding assets, and for preventing and detecting frauds as well as other irregularities, which are reviewed, evaluated and updated on an ongoing basis. We have evaluated the internal controls and procedures of the Group for the financial period under review and confirm, based on our evaluations that there were no significant deficiencies and material weaknesses in the design or operation of internal controls and frauds that involves management or other employees. The Internal Auditors conduct periodic audits to provide reasonable assurance that the established policies and procedures of the Group were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurances provided by any system of internal control and accounting.

## REPORT OF INDEPENDENT AUDITORS

The Financial Statements were audited by Messrs. Ernst & Young, Chartered Accountants, the Independent Auditors and their report is given on page 140.

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee pre-approves the audit and non-audit services provided by Messrs. Ernst & Young. The Committee meets periodically with the Internal Auditors and the Independent Auditors to review the way these Auditors are performing their responsibilities, and to discuss auditing, internal control and financial reporting issues. To ensure complete independence, the Independent Auditors and the Internal Auditors have full and free access to the members of the Audit Committee to discuss any matter of substance.

The Audit and Risk Committee Report is given on page 118-119.

## CONCLUSION

We confirm that to the best of our knowledge:

- The Group has complied with all applicable laws, regulations and guidelines and there is no material litigation against the Group other than those disclosed in note 27 of the Financial Statements.
- The system of internal control is operating effectively.

- The Financial Statements reflect in a true and fair manner, the form and substance of transactions, and reasonably present the Company's situation and have applied the Going Concern basis in preparing these Financial Statements.
- All taxes, duties, levies and all statutory payments by the Group and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Group as at 31st March 2025 have been paid, or where relevant provided for.



**G A K Nanayakkara**
Managing Director



**R M S Thilakawardana**
Chief Financial Officer

Colombo, Sri Lanka
31st July 2025

# MANAGING RISK

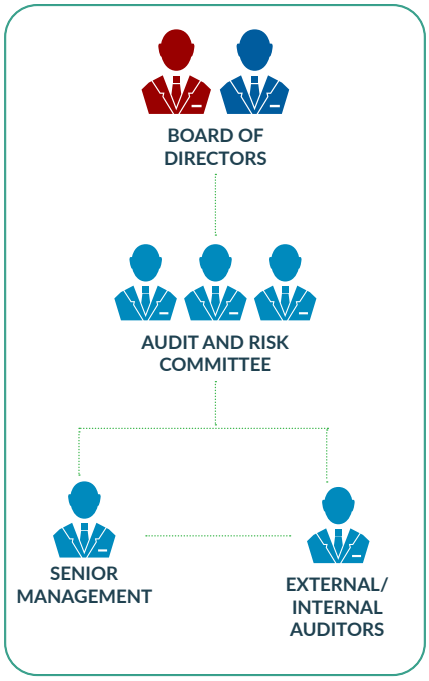
At Resus, we are committed to creating value for all stakeholders by ensuring that our Group proficiently recognize and mitigate various operational, managerial, and strategic risks that could potentially hinder the organization from accomplishing its goals. Further we believe a robust risk management framework is essential for navigating the dynamic and constantly changing external landscape.

It defines the roles, responsibilities, and procedures required to foster a risk-aware culture and ensures that risks are effectively managed with adequate controls in place to minimize them, adapt to changing conditions, and preserve organizational resilience.

## RISK GOVERNANCE

The company applies its risk governance framework across all its business units consistently using the three defense model lines. It defines responsibilities and functions related to risk management into three distinct lines, each with its own role and purpose:

The Board oversees the management in the design, implementation and monitoring of risk management and internal control systems through Audit and Risk Committee, and the management provides confirmation to the Board on the effectiveness of these systems. The Board and the management of Resus continuously face the challenge of striking a balance between the downside exposure and upside potential to optimize or preserve value creation.




The risk management framework of the Group is to respond to risks proactively to ensure continued growth within a competitive and uncertain business environment. Accordingly, we operate an integrated risk management system, while maintaining business flexibility to identify, assess and mitigate significant risks associated with our business.

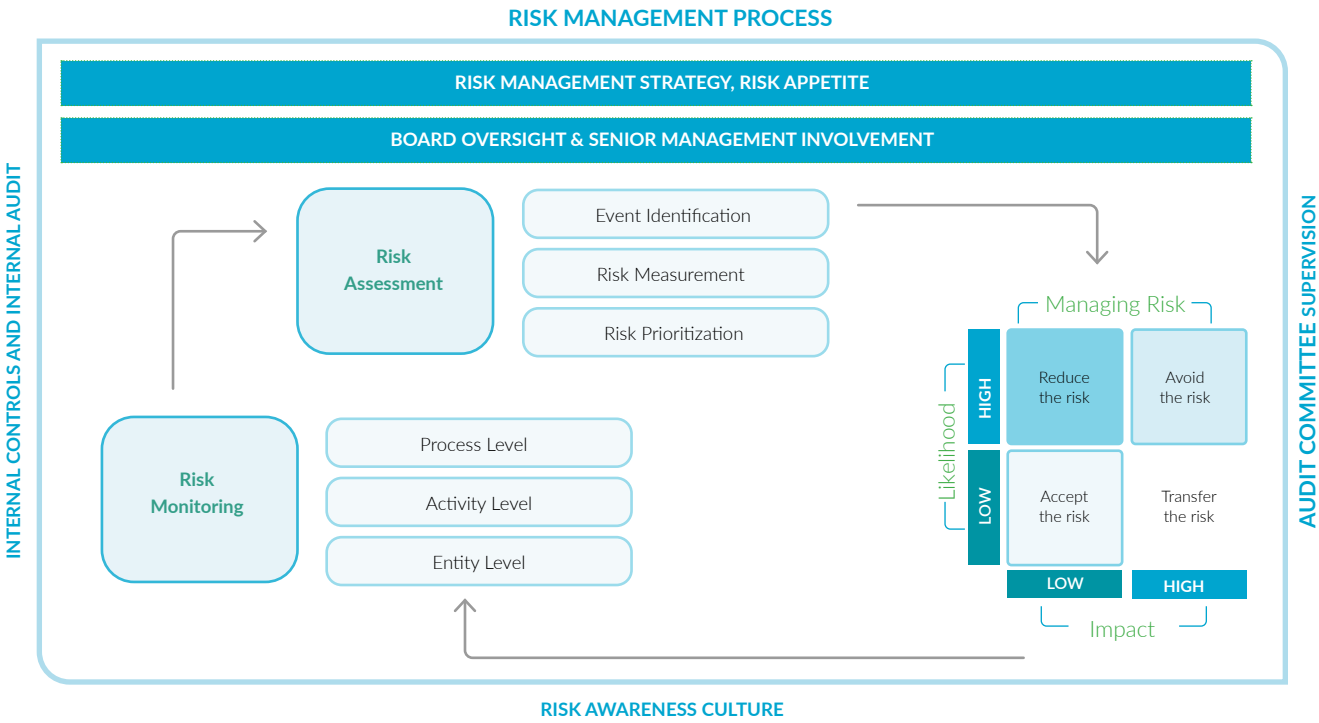
Roles and responsibility allocation for risk management is based on the Three Lines of Defense model which ensures transparency and accountability across the organization.

| 1st Line of Defense: | 2nd Line of Defense: | 3rd Line of Defense: |
|---|---|---|
| Business Units / Departments | Risk and Compliance Management | Independent assurance by the Internal and External Auditors. |
| Identification and management of risks in the business | Assist in determining the risk capacity, risk appetite, strategies and policies for risk management | Challenge and review the effectiveness of processes and controls |
| Primary responsibility of the day-to-day risk management | Provide oversight, support, monitoring and reporting | Provides independent assurance on overall effectiveness of risk framework |

## RISK MANAGEMENT PROCESS

| GRI | 2-13 | 2-25 |
|---|---|---|

The Board has delegated the responsibility for reviewing the effectiveness of the Group's risk management process to the Audit and Risk Committee. A well- structured risk management framework has been established under which the risks are being assessed at enterprise level, subsidiary level, and business unit process level.

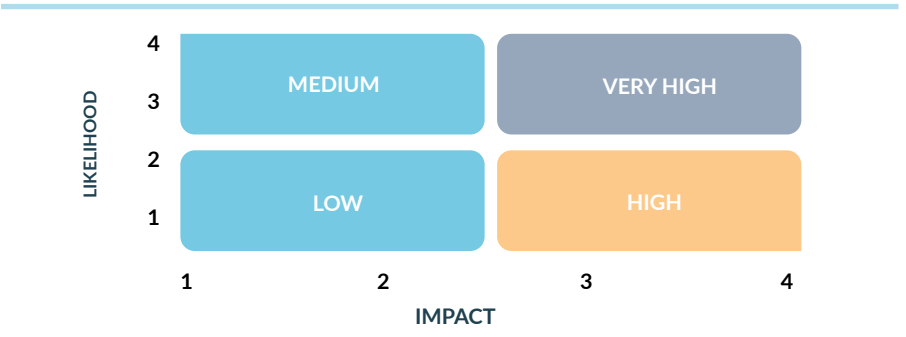



### Risk Identification

Risks are identified at Business level, with the input of key employees across all functional areas. Risk identification occurs through leadership meetings, materiality analysis, strategic performance updates and engagement with both internal and external stakeholders, among others.

### Risk Measurement and Prioritization

Risks are assessed based on their likelihood of occurrence and the probable impact of the event. Accordingly, the risks are ranked as very high, high, medium and low. The impact of the event is assessed by determining the loss or damage it would cause and the extent of the impact. The likelihood of occurrence is assessed on the basis of past experience and the preventive measures in place.




### Risk Response

Risk response is defined as the action taken to address identified risks to mitigate their impact or likelihood. We have introduced various risk management templates into our project management process to facilitate project managers to adopt risk management protocols at project levels to ensure that projects are completed and delivered within anticipated parameters.

### Review and revision.

Substantial changes in the risk landscape are continuously assessed through periodic reevaluation. Potential drivers of change include organizational strategies and objectives, macro- economic changes, climate changes, changes to government regulations, technology, emerging stakeholder requirements, and societal expectations, among others.

# MANAGING RISK

- **Communication and Reporting.**

Risk Registers are updated quarterly and submitted to the Audit and Risk Committee for review while ESG risks are tabled by Company's ESG Divisions to the board. Meanwhile, key findings from the audits conducted by the Internal Auditors are escalated to the Audit and Risk Committee for corrective action.

## MAJOR RISKS AND UNCERTAINTIES

GRI 201-2

The principal risks in achieving the Company's objective of enhancing stakeholder value and safeguarding its assets have been identified and are set out below. Nature and the scope of risks are subject to change and not all the factors listed below are within the control of the Company.

| Risk | Potential Exposure | Severity | Likelihood | Risk Rating | Mitigation Plan |
|---|---|---|---|---|---|
| 1. Default Risk<br>Risk that the customer may revise the agreements and may not serve debt | ♦ Renegotiation of Power Purchase Agreements before the termination dates<br>♦ Default of settlements by Ceylon Electricity Board (CEB)<br>♦ Delays in settlements by CEB | Major | Unlikely | H | ♦ Standardized Power Purchase Agreements (SPPAs) entered with CEB for all power plants<br>♦ Carry out necessary and appropriate representative effort |
| 2. Growth Risk<br>Hindrances to the growth of the Group | ♦ The growth potential may dilute, due to lack of viable new projects<br>♦ Government's plan not to execute SPPAs or limit the private<br>♦ developers' participation in development of non-conventional renewable energy projects | Moderate | Unlikely | H | ♦ Strengthen business leads generation and reference network<br>♦ Exert lobbying efforts both at Company and industry level<br>♦ Explore other countries for viable projects that matches risk-return profile |
| 3. Price Risk<br>Adverse movements in tariff rates | ♦ Downward revisions of non-conventional<br>♦ renewable energy tariff adversely impacting on returns and profitability of existing projects | Major | Unlikely | H | ♦ Participate in representative and lobbying efforts through industry groups and associations |

VH Very High H High M Medium L Low

| Risk | Potential Exposure | Severity | Likelihood | Risk Rating | Mitigation Plan |
|---|---|---|---|---|---|
| 4. Inflation Risk<br>Continual increase in the general price level | ♦ Spare-parts price increases leading to high Operation and Maintenance cost of power plants<br>♦ Capital expenditure overruns of new projects under development | Moderate | Unlikely | H | ♦ Use of appropriate financial and hedging strategies<br>♦ Use of top quality electro-mechanical equipment is expected to keep the spare parts requirement at low levels. |
| 5. Interest Rate Risk | ♦ Upward pressure in overheads<br>♦ Adverse impact on profitability due to resultant high interest cost to the Group | Moderate | Unlikely | H | ♦ Use of appropriate financial and hedging strategies<br>♦ Maintain an appropriate combination of fixed and floating rate borrowing<br>♦ Negotiate for concessionary interest rates using Group strength |
| 6. Exchange Rate Risk<br>Adverse movements in the exchange rate | ♦ Capital expenditure overruns of new projects under development<br>♦ Changes in meeting feasibility of new projects | Minor | Likely | M | ♦ Use of appropriate financial and hedging strategies<br>♦ Maintain an appropriate combination of fixed and floating rate borrowing<br>♦ Negotiate for concessionary interest rates using Group strength |
| 7. Credit Risk | ♦ Impact on liquidity due to delays / Non-payments by CEB | Major | Likely | VH | ♦ Protection through legally enforceable agreements |
| 8. Regulatory and compliance Risk | ♦ Introduction of new regulations affecting the business adversely<br>♦ Complexity in complying with regulatory requirements<br>♦ Unexpected tax burdens<br>♦ Abolishing of tax and import duty concessions and enforce infeasible environmental regulations | Major | Unlikely | H | ♦ Monitor the compliance with regulatory requirements<br>♦ Participate in representative efforts against regulations that could have a negative impact on business/industry |

VH Very High H High M Medium L Low

## MANAGING RISK

| Risk | Potential Exposure | Severity | Likelihood | Risk Rating | Mitigation Plan |
|---|---|---|---|---|---|
| 9. Environment Risk | ♦ Impact on returns from power plants due to adverse environmental conditions such as droughts, floods etc.<br>♦ Adverse environmental conditions impact on the continuation of current projects under constructions | Minor | Likely | M | ♦ Carry out preventive maintenance work to mitigate the plant down-time risk in bad weather conditions<br>♦ Have a business continuity plan to reduce the plant start-up lag after a disaster |
| 10. Project Development Risk and Crowding out threat<br>Delays in project development work due to deadlocks leading to loss of revenue | ♦ Social and political issues that result in abandoning viable projects<br>♦ Lack of government support to encourage credible developers<br>♦ Government's attempt to engage in the sector as a developer (crowding out threat) | Moderate | Unlikely | H | ♦ Strengthen project management expertise<br>♦ Build and maintain good rapport with the project stakeholders<br>♦ Exert lobbying efforts both at Company and industry level |
| 11. Employee Health and Safety Risk | ♦ The health and safety of the employees who work in the power plants and construction site | Moderate | Unlikely | H | ♦ Establishing safety procedures for all operations that illustrate risks to employees and<br>♦ Ensuring implementation and monitoring the same<br>♦ Maintaining and Monitoring employee health and safety statistics. |
| 12. Employee Relations | ♦ Impact on business competitiveness due to difficulties in recruiting and retaining required talent<br>♦ Losses from low productivity and low employee engagement because of industrial disputes. | Moderate | Unlikely | H | ♦ Establish open, transparent, and regular communication between management and employees<br>♦ Invest in Training and Development<br>♦ Rewards and recognition based on employee performances. |

VH Very High H High M Medium L Low

| Risk | Potential Exposure | Severity | Likelihood | Risk Rating | Mitigation Plan |
|---|---|---|---|---|---|
| 13. Cost Overrun Risk | ♦ budgets and estimates impacting the project return due to unexpected circumstances or inefficiencies | Moderate | Unlikely | H | ♦ Making accurate project cost estimates using expert knowledge<br>♦ Having tight budgetary controls on development cost and close monitoring of the costs by both project and finance team. |
| 14. Theft and Fraud Risk | ♦ Losses due to the internal fraud, inefficient processes or theft of assets. | Minor | Unlikely | L | ♦ Conduct periodic internal audit reviews and report to the Audit Committee<br>♦ Maintain a business continuity plan to ensure disaster preparedness |
| 15. Reputational Risk<br>Loss of reputation arising from corporate behavior against the interest of society | ♦ Potential exposure of the Group to financial losses, litigation and unacceptable corporate behaviour<br>♦ Loss of confidence due to the Group not being<br>♦ perceived as a responsible corporate | Major | Highly Unlikely | H | ♦ Operate within a code of business ethics that requires compliance with laws and regulations by all employees<br>♦ Projects are developed according to the Environmental Management System of the Group<br>♦ Environmental sustainability is within corporate DNA of Resus<br>♦ Engagement in various community related activities, including community development in surrounding areas of project sites<br>♦ Developing the social and physical infrastructure in rural villages where our projects are developed |

VH Very High H High M Medium L Low

| Risk | Potential Exposure | Severity | Likelihood | Risk Rating | Mitigation Plan |
|---|---|---|---|---|---|
| 16. IT Risk | ♦ Potential threat of loss of data, interruptions to systems and outdated systems | Moderate | Unlikely | H | ♦ Having an internal IT consultant for facilitating the smooth functioning of IT systems<br>♦ Regular maintenance and upgrades to the systems<br>♦ Establishment of IT policy and guidelines |
| 17. Business Continuity Risk | ♦ Losses of Business Interruption due to Natural disasters, Major operational failures. | Major | Unlikely | H | ♦ Timely maintenance of machinery, transmission lines, and equipment as per schedule and as needed<br>♦ Obtained Comprehensive insurance policy covering all the Assets in plants.<br>♦ Regular monitoring of grid connected transmission line. |
| 18. Pandemic Risk | ♦ Risk of adverse operational and economic impact stemming from pandemic outbreaks | Major | Unlikely | H | ♦ Strictly adhered the guidelines mandated by authorities.<br>♦ Flexible working hours with the option of working from home arrangements considering the social distancing advisories issued.<br>♦ Contingency Planning |

VH Very High H High M Medium L Low

# OUR RESULTS

## RESUS ENERGY PLC

## Annual Report 2024/25

## FINANCIAL CALENDAR

| | |
|---|---|
| **Interim Financial Statements** | |
| Three months ended 30th June 2024 | 09th August 2024 |
| Six months ended 30th September 2024 | 06th November 2024 |
| Nine months ended 31st December 2024 | 07th February 2025 |
| Twelve months ended 31st March 2025 | 30th May 2025 |
| | |
| **Annual Report for the year ended 31st March 2024** | |
| 21st Annual General Meeting | 28th June 2024 |
| | |
| **Annual Report for the year ended 31st March 2025** | |
| 22nd Annual General Meeting | 25th August 2025 |

# STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO ANNUAL FINANCIAL STATEMENTS

The following statement which should be read in conjunction with the Auditors' Statement of their responsibilities, as set out in their report, is made with a view to distinguish the respective responsibilities of the Directors and the Auditors, in relation to the Financial Statements.

The Companies Act No. 7 of 2007 requires that the Directors prepare the Financial Statements for each financial year giving a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and the profit or loss of the Company and the Group for the financial year and present it to the shareholders. These Financial Statements comprise a Statement of Comprehensive Income, which presents a true and fair view of the profit or loss of the Company and the Group for the financial year and a Statement of Financial Position, which presents a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year which complies with the requirements of the Companies Act No. 7 of 2007.

The Directors consider that in preparing the Financial Statements disclosed on page 144-201, the Company has used appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgment and estimates, and that all Accounting Standards (LKASs/SLFRSs) which they consider to be applicable have been followed. The Directors also ensure that the requirements of the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and Listing Rules of the Colombo Stock Exchange have been followed and complied with.

The Directors have the responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy of the financial position of the Company, and which enable them to ensure that the Financial Statements comply with the provisions of the Companies Act No. 7 of 2007.

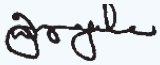
The Directors are required to provide the Auditors with every opportunity to take whatever steps necessary to enable them to form their audit opinion. The responsibility of the auditors in relation to the Financial Statements appears in the Report of the Independent Auditors on page 142. Messrs Ernst & Young, Chartered Accountants, and the Independent Auditors of the Company have examined the Financial Statements and the related records and information. Their opinion on Financial Statements is given on page 140.

The Board of Directors accepts responsibility for the integrity and objectivity of the Financial Statements presented. The Directors have general responsibility for taking reasonable steps to safeguard the assets of the Company and in this regard to give proper consideration to the establishment of appropriate internal control systems, with a view to preventing and detecting frauds and other irregularities.

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries and all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its subsidiaries and all other known statutory dues as were due and payable by the Company and its subsidiaries as at the reporting date have been paid, or where relevant provided for in the Financial Statements.

The Directors are satisfied that the Company and its subsidiaries have adequate resources to continue in business for the foreseeable future and have continued to adopt the Going Concern basis in preparing Financial Statements for the Company and the Group.

By order of the Board,



**Nexia Corporate Consultants (Pvt) Limited**
Secretaries

Colombo, Sri Lanka
31st July 2025

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Resus Energy PLC takes pleasure in presenting the report together with the Audited Consolidated Financial Statements for the year ended 31st March 2025.

The details set out herein provide the pertinent information required by the Companies Act No. 7 of 2007 and the Colombo Stock Exchange's Continuing Listing Requirements and are guided by Recommended Best Practice.

Principal Activities and Review of Business Segment Performance.

Investing in power generation projects remained the principal activity of Resus Energy PLC and its subsidiaries during the year under review.

The Group's portfolio has evolved into a dynamic blend of sustainable ventures, now encompassing hydropower and solar power projects, harnessing nature's resources to generate clean energy, along with a growing engineering and consultancy segment. This strategic diversification positions the Group at the forefront of driving a greener and more resilient future.

The construction of Solar Power Project in Neeththa area in Ampara District with capacity of 5 MW was completed and connected to the national grid in March 2025.

The Group's revenue chiefly represents economic benefits derived from selling electricity by its hydro and Solar power plants. The details of operational power projects under their respective companies for the year ended 31st March 2025 are depicted in the table below:

| Name of the power Project | Entity | Generation Capacity | Location | Electricity Units Dispatched (GWh) | |
|---|---|---|---|---|---|
| | | | | 2024/25 | 2023/24 |
| Giddawa Mini Hydro Power Plant | Resus Energy PLC | 2.0MW | Giddawa, Digana, Kandy District | 8.98 | 8.15 |
| Upper Agra Oya Mini Hydro Power Plant | Resus Energy PLC | 2.6MW | Lindula, Talawakelle, Nuwara Eliya District | 7.51 | 8.26 |
| Upper Magalganga Mini Hydro Power Plant | Resus Energy PLC | 2.4MW | Maliboda, Deraniyagala, Kegalle District | 6.94 | 6.82 |
| Gomale Oya Hydro Power Plant | Gomale Oya Hydro Power (Pvt) Ltd | 1.4MW | Magala, Maliboda,Kegalle District | 1.76 | 2.78 |
| Moragaha Oya Hydro Power Plant | Moragaha Oya (Pvt) Ltd | 1.5MW | Panvila, Theldeniya, Kandy District | 5.59 | 5.11 |
| Ranwala Oya Hydro Power Plant | J B Power (Pvt) Ltd | 1.2MW | Maliboda, Deraniyagala, Kegalle District | 3.48 | 3.58 |
| Upper Huluganga Hydro Power Plant | Upper Huluganga (Pvt) Ltd | 1.9MW | Panvila, Kandy District | 5.47 | 5.20 |
| Karapalagama Hydro Power Plant | Sierra Power (Pvt) Ltd | 2.4 MW | Welapane. Nildandahinna Nuwara Eliya District | 6.96 | 6.56 |
| Ampara SBSPII (90) Solar PV Power Project | Resus Energy PLC | 2.0MW | Mahakalugolla, Siyambalanduwa, Monaragala District | 3.20 | 3.21 |
| Mahiyanganaya SBSII (90) MW Solar Power Plant | Resus Solar (Pvt) Ltd | 6.0MW | Welampala, Rideemaliyadda, Badulla District | 10.56 | 9.16 |
| Ampara1 SBSII (60) MW Solar PV Power Plant | Resus Solar (Pvt) Ltd | 1.0MW | Mahakalugolla, Siyambalanduwa, Monaragala District | 1.83 | 0.87 |
| Ampara SBSII (90) MW Solar PV Power Plant | Resus Solar (Pvt) Ltd | 5.0MW | Neeththa, Damana, Ampara District | 0.04 | - |
| **Total** | | **29.4MW** | | **62.32** | **59.73** |

Segmental information on the Group's operational performance and assets allocation among different classes of business is given in note 30 to the Financial Statements. Business Segmental performance has been extensively presented and discussed in the Managing Director's Review on page 14-17 and in Financial Capital Report on page 47-54 of this Report.

The Directors to the best of their knowledge and belief confirm that neither the Company nor its subsidiaries have been engaged in any activity that contravenes laws and regulations.

## FINANCIAL STATEMENTS

The Financial Statements of the Company and the Group are given on page 144-201.

### Results and Appropriations

| For the year ended 31st March | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs | Rs | Rs | Rs |
| Revenue | 1,241,317,605 | 1,119,149,899 | 410,795,367 | 498,681,285 |
| Gross Profit | 858,651,276 | 879,716,883 | 313,376,491 | 398,156,274 |
| Other operating income/(expenses) | 21,332,386 | 14,649,393 | 91,328,274 | 114,507,138 |
| Operating profit/(loss) before interest and tax | 759,934,766 | 800,515,051 | 305,715,112 | 433,920,637 |
| Net Finance cost | (390,365,473) | (535,587,207) | (170,354,177) | (223,117,105) |
| Profit/(Loss) before tax | 369,569,293 | 264,927,844 | 135,360,935 | 210,803,532 |
| Provision for tax including deferred tax | (154,598,738) | 108,954,661 | (27,389,489) | (40,786,370) |
| Profit/(Loss) for the Year | 214,970,555 | 373,882,505 | 107,971,446 | 170,017,162 |
| Deficit/(Profit) attributable to non-controlling interests | - | - | - | - |
| Profit/(Loss) available to Group's shareholders | 214,970,555 | 373,882,505 | 107,971,446 | 170,017,162 |
| Other comprehensive income/(expense) | (2,082,403) | (1,653,618) | (1,999,751) | (1,562,496) |
| Balance brought forward from the previous year | 1,371,205,904 | 1,106,708,051 | 238,845,815 | 178,122,183 |
| Amount available for appropriation | 1,584,094,056 | 1,478,936,938 | 344,817,510 | 345,576,849 |
| Interim dividends paid | (86,184,827) | (107,731,034) | (86,184,827) | (107,731,034) |
| Balance to be carried forward to the next year | 1,497,909,229 | 1,371,205,904 | 258,632,683 | 238,845,815 |

## AUDITORS' REPORT

The Auditors' Report on the Financial Statements is given on page 140-143.

## ACCOUNTING POLICIES

The Accounting Policies adopted in the preparation of the Financial Statements are given on page 151-165. There were no changes to the Accounting Policies adopted during the year.

## INTEREST REGISTER

Interest Register and Directors' interests in Contracts Directors' interest in contracts or proposed contracts are disclosed on page 139 and have been disclosed at meetings of the Directors and recorded in the Interest Register as per Section 192 of the Companies Act No. 7 of 2007. The Directors did not have any material interest in any contract of significance to the Group's business, other than those disclosed on page 139, "Directors' Interest in Contracts" of this Report.

During the year, entries made in the Interest Register consisted of Directors' Interest in Contracts, remuneration paid to the Directors and renewal of Directors' and Officers' liability insurance. The Interest Register is available at the registered head office of the Company, in keeping with the requirements of Section 119(1)(d) of the Companies Act No. 7 of 2007.

## DIRECTORS OF THE COMPANY

Names of the Directors and their profiles including the names of the Directors who held office and resigned during the year have been disclosed on page 19-21 of the Annual Report.

## REVIEW OF PERFORMANCE OF THE BOARD AND BOARD SUB-COMMITTEES

The review of the performance of Board and Board Sub- Committees were carried out during the year by way of a discussion during the Board Meetings.

## BOARD AND BOARD SUB-COMMITTEE MEETINGS

The number of Board meetings, Audit and Risk Committee meetings, Remuneration Committee meetings and Related Party Transactions Review Committee meetings held during the year and the attendance of Directors at these meetings are given on page 94 of Corporate Governance Report.

## DIRECTORS' REMUNERATION

The Directors' remuneration paid by the Company and the Group is disclosed in note 21 to the Financial Statements.

## DIRECTORS' INTEREST IN SHARES

The Directors' shareholdings are disclosed on page 205 of this Report.

## CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of Corporate Governance, the process by which the Company is directed and managed. The Corporate Governance Report is given on page 87-116 of the Annual Report.

## RISKS AND INTERNAL CONTROLS

The Enterprise Risk Management Report is given on page 126-132 of the Annual Report, which includes information pertaining to material foreseeable risks of the Group and the mitigation actions.

The Directors accept the ultimate responsibility for the system of internal control of the Company and the Group. The systems are geared to provide reasonable assurance that the assets of the Group are safeguarded and that all transactions are conducted as relevant, properly authorised and duly recorded. Further details of the internal control system in operation are also contained in the Directors' Statement on Internal Controls on page 117, Statement of Directors' Responsibilities in relation to Annual Financial Statements on page 134, Corporate Governance on page 87-116, and the Audit and Risk Committee Report on page 118-119 of the Annual Report.

## TAXATION

The tax liability of the Company and its subsidiaries has been computed according to the provisions of the Inland Revenue Act No. 17 of 2017 and amendments thereto. The applicable provisions under the Board of Investments (BOI) law have been taken into consideration for taxation of Moragaha oya hydro power (Pvt) Ltd.

The method of computation of income taxes of the Company and the Group has been depicted in note 22 to the Financial Statements.

## CORPORATE DONATIONS

The Group and the Company made Rs. 0.85Mn (2024 – 0.48Mn) and Rs. 0.5Mn (2024 – Rs. 0.34Mn) donations during the year respectively.

## PROPERTY, PLANT AND EQUIPMENT

The book carrying value of property, plant and equipment as at the reporting date amounted to Rs. 1,190.50Mn (2024-Rs.1,224.70Mn) and Rs. 5,232.78Mn (2024 - Rs.4,729.9Mn) for the Company and Group respectively. Capital expenditure during the year for the Company and Group amounted to Rs. 3.68Mn (2024 - Rs.140.12Mn) and Rs. 626.93Mn (2024 - Rs. 447.22Mn) respectively.

Details of property, plant and equipment are given in note 04 to the Financial Statements.

The Directors are of the view that the carrying values of the Group's fixed assets do not substantially differ from their market values and no indications of impairment have been noted as of the date of this Report.

## STATED CAPITAL

The Stated Capital of the Company as of 31st March 2025 was Rs. 967,483,260 (2024 -Rs. 967,483,260) consisting of 86,184,827 (2024-Rs. 86,184,827) ordinary shares.

## SHAREHOLDINGS

There were 3,010 registered Ordinary Voting Shareholders as of 31st March 2025 (2,932 – as of 31st March 2024).

The distribution of shareholdings is shown on page 204-205 of the Annual Report. This gives information on the top twenty shareholders' names, number of shares held, and the percentage held by each shareholder with the Public holding percentage and the distribution schedule of the number of holders in each class of equity securities and the percentage of their total holding.

Each of Director's including the Managing Director's direct and indirect holdings in shares of the Company at the beginning and end of each financial year are given on page 204-205 of the Annual Report.

No Employee Share Ownership Plans and Profit-Sharing Plans prevailed during the year for the Company and the Group.

## SHARE INFORMATION

Information relating to earnings, dividends, net assets and market value per share is available in "Share Information" on page 205 and "Financial Highlights" on page 10 of the Annual Report along with information on share trading.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS

## SUBSTANTIAL SHAREHOLDINGS

The twenty major shareholders as at 31st March 2025 are given on page 204 of the Annual Report.

No recommendation was made for a final dividend for shareholders' approval at the AGM.

## ENVIRONMENT PROTECTION

The Directors confirm that the Company and its subsidiaries have not engaged in any activities, which have caused detriment to the environment. The activities are carried out in accordance with the Group Environmental Management System to preserve the environment.

## STATUTORY PAYMENTS

The Directors confirm, to the best of their knowledge and belief, that all statutory obligations due to the Government and to the Employees have been either duly paid or adequately provided for in the Financial Statements. Details are given on page 51 of Financial Capital report.

## RELATED PARTY TRANSACTIONS

The Directors confirm that Section 9 of the CSE Listing Rules and the Code of Best Practices on Related Party Transactions issued by Securities and Exchange Commission of Sri Lanka pertaining to Related Party Transactions have been complied with by the Company and the Group with effect from 1st January 2016.

## EVENTS AFTER THE REPORTING PERIOD

Circumstances giving rise to disclosure in the Financial Statements since the Reporting Date have been disclosed in note 26 to the Financial Statements. No circumstances have arisen since the Reporting Date that would require adjustments in the Financial Statements.

## GOING CONCERN

The Board of Directors is satisfied that the Company and its subsidiaries will have adequate resources to continue its operations without any disruption in the foreseeable future. Accordingly, the Directors consider that it is appropriate to prepare Financial Statements on Going Concern basis.

## AUDITORS

The Financial Statements of the Company and the Group for the year have been audited by Messrs Ernst & Young, Chartered Accountants, who are recommended for re-appointment.

The Audit Fees payable and fees paid to them by the Company for other services rendered for the year under review are as follows.

Audit Fees and Expenses - Rs. 1,650,000/- (2024 – Rs. 1,509,900/-)

Fees for non-audit services- Rs. 694,810 (2024- 515,013)

The Directors have recommended a resolution to be passed at the forthcoming Annual General Meeting for re-appointment of Messrs Ernst & Young as Auditors and authorizing the Directors to fix their remuneration.

The Auditors of the Group have confirmed that they do not have any relationship (other than that of Auditor) with, or interests in, the Company or any of its Subsidiaries other than those disclosed above.

## ANNUAL GENERAL MEETING

The Twenty second Annual General Meeting of the Company will be held on Monday, the 25th day of August 2025 on 4.00p.m at the Auditorium of the Development Holidays Private Limited, 3rd floor No 40, Nawam Mawatha, Colombo. The Notice of the Annual General Meeting appears on page 215 of the Annual Report.

Board of Directors,



**H A S Madanayake**

Chairman



**G A K Nanayakkara**

Managing Director



**Nexia Corporate Consultants (Pvt) Limited**

Secretaries

Colombo, Sri Lanka
31st July 2025

# DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

Related party disclosures as required by the Sri Lanka Accounting Standard-LKAS 24 'Related Party Disclosures' are detailed in note 28 to the Financial Statements. In addition, the Company carries out transactions in the ordinary course of business in an arm's length basis with the entities where the Chairman or a Director of the Company is the Chairman or a Director of such entity as detailed below.

| Company | Nature of Transaction | 2024/25 (Rs.) | 2023/24 (Rs.) |
|---|---|---|---|
| Gomale Oya Hydro Power (Pvt) Ltd | Funds Received | 29,890,000 | 110,268,022 |
| | Funds Transferred | (10,222,999) | (42,277,709) |
| | Reimbursement of Expenses | (14,606,922) | (12,832,800) |
| | Dividend Received | - | (21,250,021) |
| Moragaha Oya (Pvt) Ltd | Funds Received | 112,554,202 | 258,491,408 |
| | Funds Transferred | (21,133,202) | (112,435,636) |
| | Reimbursement of Expenses | (36,673,541) | (35,457,816) |
| | Dividend Received | (43,732,560) | (64,974,088) |
| Upper Huluganga (Pvt) Ltd | Funds Received | 174,789,674 | 195,326,205 |
| | Funds Transferred | (59,933,576) | (107,138,256) |
| | Reimbursement of Expenses | (34,573,163) | (15,692,850) |
| | Dividend Received | (42,467,829) | - |
| JB Power (Pvt) Ltd | Funds Received | 26,776,888 | 109,217,986 |
| | Funds Transferred | (11,787,078) | (31,269,000) |
| | Reimbursement of Expenses | (11,653,042) | (18,547,448) |
| | Dividend Received | - | (22,206,356) |
| Resus Solar (Pvt) Limited | Funds Received | 111,581,794 | 192,355,916 |
| | Funds Transferred | (137,591,705) | (215,555,465) |
| | Reimbursement of Expenses | (405,596,587) | (217,769,316) |
| | Share Investment | 446,500,000 | 495,000,000 |
| Sierra Power (Pvt) Limited | Funds Received | 97,283,519 | 168,160,855 |
| | Funds Transferred | (57,513,440) | (19,851,000) |
| | Reimbursement of Expenses | (13,818,569) | (25,490,980) |
| Resus Engineering (Pvt) Ltd | Funds Received | 1,500,000 | 5,600,000 |
| | Funds Transferred | - | - |
| | Reimbursement of Expenses | (1,352,216) | (133,557) |
| Resus Eastern Solar (Pvt) Limited | Reimbursement of Expenses | (128,116) | (64,667) |
| | Funds Transferred | (1,008,539) | - |
| Rawanakanda Hydro Power (Pvt) Ltd | Reimbursement of Expenses | (71,326) | (64,668) |
| | Funds Transferred | - | - |

# INDEPENDENT AUDITOR'S REPORT

Shape the future with confidence

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

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

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Resus Energy PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss, 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 policy information.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as at 31 March 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### Basis for opinion

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

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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

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

A member firm of Ernst & Young Global Limited

| Key audit matter | How our audit addressed the Matter |
|---|---|
| **Assessment of Impairment of Goodwill** | |
| The Group's Statement of Financial Position includes an amount of Rs.181 Mn relating to Goodwill acquired on the business combinations as further described in Notes 3.1.4 and 6 to the financial statements. Goodwill is tested annually for impairment based on the recoverable amount determined by Management using value in use computations (VIU).<br><br>Such Management VIU calculations are based on the discounted future cashflows of each Cash Generating Unit (CGU) to which Goodwill has been allocated. A deficit between the recoverable value and the carrying value of the CGUs including Goodwill would result in an impairment.<br><br>Impairment testing of Goodwill was a key audit matter due to :<br><br>• The degree of management assumptions, judgements and estimates associated with deriving the estimated future cashflows used for value in use calculations such as tariff rates, discount rates and plant load factor as disclosed in Note 6 to the financial statements . | Our audit procedures included the following:<br><br>• We gained an understanding of how management has forecast its discounted future cash flows.<br><br>• Based on the best available information up to the date of our report, we assessed the reasonableness of significant management assumptions including tariff rates, discount rates and plant load factor. We tested the completeness and accuracy of the underlying data used and performed sensitivity analysis of significant assumptions to evaluate the effect on the value in-use calculations.<br><br>We also assessed the adequacy of disclosure in Note 3.1.4 and 6 to the financial statements. |
| **Interest Bearing Loans and Borrowings** | |
| As of the reporting date, the Group reported total interest-bearing loans and borrowings of Rs. 3,385 Mn, of which Rs. 1,013 Mn is reported as current liabilities and the balance Rs. 2,371 Mn as non-current liabilities.<br><br>Interest bearing borrowings was a key audit matter due to;<br><br>• The materiality of the reported interest-bearing loans and borrowings balance which represents 82% of the Group's total liabilities as of the reporting date and,<br><br>• The existence of several financial and non-financial covenants, the breach of which could impact the classification of the interest-bearing loans and borrowings in the financial statements. | Our audit procedures included the following:<br><br>• Obtained an understanding of the terms and conditions attached to loans and borrowings, by perusing the related agreements.<br><br>• Obtained confirmations from financial institutions on outstanding loans and borrowings as at reporting date.<br><br>• Obtained confirmations from the respective financial institutions regarding the status of covenant breaches.<br><br>We also assessed the adequacy and appropriateness of the disclosures made in Note 12 in the financial statements relating to interest bearing loans and borrowings. |

# INDEPENDENT AUDITOR'S REPORT

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### Other Information included in the 2025 Annual Report

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the management and those charged with governance 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a

material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements in accordance with the Code of Ethics regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

The Institute of Chartered Accountant of Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 2471.



Colombo
31st July 2025

# STATEMENT OF FINANCIAL POSITION

| As at 31st March | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | Note | Rs. | Rs. | Rs. | Rs. |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 4 | 5,232,787,652 | 4,729,906,298 | 1,190,503,382 | 1,224,669,441 |
| Right of use Assets | 5 | 21,819,377 | 27,979,001 | 381,317 | 5,453,218 |
| Intangible assets | 6 | 181,139,889 | 181,139,889 | 125,407,510 | 125,407,510 |
| Investments in subsidiaries | 7 | - | - | 1,678,143,125 | 1,231,644,125 |
| Deferred tax assets | 14 | 595,615,042 | 637,666,147 | - | - |
| | | 6,031,361,960 | 5,576,691,335 | 2,994,435,334 | 2,587,174,294 |
| **Current assets** | | | | | |
| Inventories | 8 | 73,584,886 | 99,957,263 | 11,290,403 | 14,581,724 |
| Trade and other receivables | 9 | 455,252,090 | 518,461,951 | 234,086,576 | 305,578,724 |
| Income tax recoverable | | 75,295 | 830,766 | 75,262 | 830,692 |
| Cash and cash equivalents | 10 | 63,632,174 | 26,214,357 | 51,941,244 | 23,966,215 |
| | | 592,544,445 | 645,464,337 | 297,393,485 | 344,957,354 |
| **Total Assets** | | 6,623,906,405 | 6,222,155,672 | 3,291,828,819 | 2,932,131,648 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Stated capital | 11 | 967,483,260 | 967,483,260 | 967,483,260 | 967,483,260 |
| Other components of equity | | 6,949,461 | 6,949,461 | 5,194,210 | 5,194,210 |
| Retained earnings | | 1,497,909,229 | 1,371,205,904 | 258,632,683 | 238,845,815 |
| Equity attributable to equity holders of the parent | | 2,472,341,950 | 2,345,638,625 | 1,231,310,153 | 1,211,523,285 |
| Non-controlling interest | | - | - | - | - |
| **Total Equity** | | 2,472,341,950 | 2,345,638,625 | 1,231,310,153 | 1,211,523,285 |
| **Non-current liabilities** | | | | | |
| Interest bearing loans and borrowings | 12 | 2,371,878,942 | 2,252,856,849 | 576,278,380 | 633,220,480 |
| Lease Liability | 5.2 | 22,007,495 | 24,871,745 | 383,211 | 437,066 |
| Retirement benefit obligations | 13 | 45,218,038 | 37,783,649 | 42,892,649 | 36,193,650 |
| Deferred tax liabilities | 14 | 260,904,338 | 213,273,959 | 95,863,906 | 84,382,755 |
| | | 2,700,008,813 | 2,528,786,203 | 715,418,146 | 754,233,950 |
| **Current liabilities** | | | | | |
| Trade and other payables | 15 | 190,271,837 | 109,428,419 | 515,498,378 | 445,364,127 |
| Lease Liability | 5.2 | 3,690,270 | 4,986,270 | 111,270 | 111,270 |
| Income tax liabilities | | 32,073,737 | 29,510,018 | 5,481,573 | 18,175,516 |
| Interest bearing loans and borrowings | 12 | 1,013,871,728 | 955,314,681 | 674,204,613 | 318,911,013 |
| Bank overdrafts | 10 | 211,648,070 | 248,491,455 | 149,804,686 | 183,812,486 |
| | | 1,451,555,642 | 1,347,730,843 | 1,345,100,520 | 966,374,412 |
| **Total Equity and Liabilities** | | 6,623,906,405 | 6,222,155,672 | 3,291,828,819 | 2,932,131,648 |

Figures in brackets indicate deductions.

I certify that the financial statements are in compliance with the requirements of the Companies Act No. 07 of 2007. The Board of Directors is responsible for these financial statements. Signed for and on behalf of the Board by:



**R M S Tillakawardana**
Chief Financial Officer



**H A S Madanayake**
Chairman



**G A K Nanayakkara**
Managing Director

Colombo, Sri Lanka
31st July 2025

# STATEMENT OF PROFIT OR LOSS

| For the year ended 31st March | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | Note | Rs. | Rs. | Rs. | Rs. |
| Revenue | 16 | 1,069,923,993 | 966,840,391 | 345,762,795 | 403,764,321 |
| Billing under the standardized power purchase agreement | 16.1 | 171,393,612 | 152,309,508 | 65,032,572 | 94,916,964 |
| Cost of Sales | | (382,666,329) | (239,433,016) | (97,418,876) | (100,525,011) |
| Gross profit | | 858,651,276 | 879,716,883 | 313,376,491 | 398,156,274 |
| Other operating income/(expense) | 17 | 21,332,386 | 14,649,393 | 91,328,274 | 114,507,138 |
| Administrative expenses | | (120,048,896) | (93,851,225) | (98,989,653) | (78,742,775) |
| Results from operating activities | | 759,934,766 | 800,515,051 | 305,715,112 | 433,920,637 |
| Finance income | 20.2 | 4,674,410 | 11,833,932 | 4,653,761 | 11,826,345 |
| Finance cost | 20.1 | (395,039,883) | (547,421,139) | (175,007,938) | (234,943,450) |
| Profit/(Loss) before tax | 21 | 369,569,293 | 264,927,844 | 135,360,935 | 210,803,532 |
| Tax (Expense) / Reversal | 22 | (154,598,738) | 108,954,661 | (27,389,489) | (40,786,370) |
| Profit/(Loss) for the year | | 214,970,555 | 373,882,505 | 107,971,446 | 170,017,162 |
| | | | | | |
| Attributable to: | | | | | |
| Equity holders of the parent | | 214,970,555 | 373,882,505 | 107,971,446 | 170,017,162 |
| Non-controlling interest | | - | - | - | - |
| | | 214,970,555 | 373,882,505 | 107,971,446 | 170,017,162 |
| Earnings/(Loss) per share - basic/diluted | 23 | 2.49 | 4.34 | 1.25 | 1.97 |

Figures in brackets indicate deductions.

The accounting policies and notes as out in pages 151-201 form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

| For the year ended 31st March | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | Note | Rs. | Rs. | Rs. | Rs. |
| Profit/(Loss) for the year | | 214,970,555 | 373,882,505 | 107,971,446 | 170,017,162 |
| | | | | | |
| **Other comprehensive income:** | | | | | |
| **Other comprehensive income not to be reclassified to profit or loss in subsequent periods** | | | | | |
| Re-measurement gain/(loss) on defined benefit plans | 13 | (2,974,862) | (2,362,312) | (2,856,787) | (2,232,137) |
| Deferred tax effect on acturial gain/(loss) on defined benefit plan | 14.2 | 892,459 | 708,694 | 857,036 | 669,641 |
| | | | | | |
| **Other comprehensive income to be reclassified to profit or loss in subsequent periods** | | - | - | - | - |
| Other comprehensive income for the year, net of tax | | (2,082,403) | (1,653,618) | (1,999,751) | (1,562,496) |
| | | | | | |
| **Total comprehensive income for the year, net of tax** | | 212,888,152 | 372,228,886 | 105,971,695 | 168,454,666 |
| | | | | | |
| **Attributable to:** | | | | | |
| Equity holders of the parent | | 212,888,152 | 372,228,886 | 105,971,695 | 168,454,666 |
| Non-controlling interest | | - | - | - | - |
| | | 212,888,152 | 372,228,886 | 105,971,695 | 168,454,666 |

Figures in brackets indicate deductions.

The accounting policies and notes as out in pages 151-201 form an integral part of these financial statements

# STATEMENT OF CHANGES IN EQUITY

| For the year ended 31st March | | Attributable to Equity holders of the parent | | | | | |
|---|---|---|---|---|---|---|---|
| Group | Notes | Stated capital | Other components of equity - Revaluation reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Balance as at 1st April 2023** | | 967,483,260 | 6,949,461 | 1,106,708,052 | 2,081,140,773 | - | 2,081,140,773 |
| Profit for the year | | - | - | 373,882,505 | 373,882,505 | - | 373,882,505 |
| Other comprehensive income | | - | - | (1,653,618) | (1,653,618) | - | (1,653,618) |
| Total comprehensive income for the year | | - | - | 372,228,886 | 372,228,886 | - | 372,228,886 |
| Transactions with equity holders | | | | | | | |
| Cash dividends paid - Interim 2023/24 | 24 | - | - | (107,731,034) | (107,731,034) | - | (107,731,034) |
| Total distribution to equity holders | | - | - | (107,731,034) | (107,731,034) | - | (107,731,034) |
| **Balance as at 31st March 2024** | | 967,483,260 | 6,949,461 | 1,371,205,904 | 2,345,638,625 | - | 2,345,638,625 |
| Profit for the year | | - | - | 214,970,555 | 214,970,555 | - | 214,970,555 |
| Other comprehensive income / (loss) | | - | - | (2,082,403) | (2,082,403) | - | (2,082,403) |
| Total comprehensive income for the year | | - | - | 212,888,152 | 212,888,152 | - | 212,888,152 |
| Transactions with equity holders | | | | | | | |
| Cash dividends paid - Interim 2024/25 | 24 | - | - | (86,184,827) | (86,184,827) | - | (86,184,827) |
| Total distribution to equity holders | | - | - | (86,184,827) | (86,184,827) | - | (86,184,827) |
| **Balance as at 31st March 2025** | | 967,483,260 | 6,949,461 | 1,497,909,229 | 2,472,341,950 | - | 2,472,341,950 |

# STATEMENT OF CHANGES IN EQUITY

| Company | Notes | Stated Capital | other components of equity - Revaluation reserve | Retained earnings | Total |
|---|---|---|---|---|---|
| | | Rs. | Rs. | Rs. | Rs. |
| **Balance 1st April 2023** | | 967,483,260 | 5,194,210 | 178,122,183 | 1,150,799,653 |
| Profit for the year | | - | - | 170,017,162 | 170,017,162 |
| Other comprehensive income | | - | - | (1,562,496) | (1,562,496) |
| Total comprehensive income for the year | | - | - | 168,454,666 | 168,454,666 |
| Transactions with equity holders | | | | | |
| Dividends paid - Interim 2023/24 | 24 | - | - | (107,731,034) | (107,731,034) |
| Total distribution to equity holders | | - | - | (107,731,034) | (107,731,034) |
| **Balance as at 31st March 2024** | | 967,483,260 | 5,194,210 | 238,845,815 | 1,211,523,285 |
| Profit for the year | | - | - | 107,971,446 | 107,971,446 |
| Other comprehensive income | | - | - | (1,999,751) | (1,999,751) |
| Total comprehensive income for the year | | - | - | 105,971,695 | 105,971,695 |
| Transactions with equity holders | | | | | |
| Dividends paid - Interim 2024/25 | 24 | - | - | (86,184,827) | (86,184,827) |
| Total distribution to equity holders | | - | - | (86,184,827) | (86,184,827) |
| **Balance as at 31st March 2025** | | 967,483,260 | 5,194,210 | 258,632,683 | 1,231,310,153 |

# STATEMENT OF CASH FLOWS

| For the year ended 31st March | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| | Note | Rs. | Rs. | Rs. | Rs. |
| Cash flows from/(used in) operating activities | | | | | |
| Profit/(Loss) before tax | | 369,569,293 | 264,927,844 | 135,360,935 | 210,803,532 |
| Adjustments for; | | | | | |
| Depreciation | 4 | 123,962,626 | 115,186,138 | 37,826,667 | 38,145,091 |
| Amortization of Right-of-Use Assets | 5.1 | 6,159,624 | 4,013,425 | 5,071,901 | 2,601,967 |
| Provision for defined benefit plan-Gratuity | 13 | 7,845,347 | 7,474,313 | 7,228,032 | 6,736,963 |
| Finance cost | 20.1 | 392,085,231 | 544,021,333 | 174,950,522 | 234,508,265 |
| Finance charges on lease liability | 5.2 | 2,954,652 | 3,399,806 | 57,416 | 435,185 |
| (Profit)/Loss on sale of fixed assets | 17 | 18,434 | - | 18,434 | - |
| Finance income | 20.2 | (4,674,410) | (11,833,932) | (4,653,761) | (11,826,345) |
| Operating profit/(loss) before working capital changes | | 897,920,797 | 927,188,928 | 355,860,146 | 481,404,659 |
| | | | | | |
| Decrease / ( Increase ) in inventories | | 26,372,377 | (82,538,699) | 3,291,321 | (3,079,843) |
| Decrease / ( Increase ) in trade and other receivables | | 63,965,332 | 644,271,193 | (374,747,890) | 86,938,768 |
| (Decrease) / Increase in trade and other payables | | 81,297,587 | 46,585,806 | 70,134,251 | 251,906,070 |
| Cash generated/(used in) from operations | | 1,069,556,093 | 1,535,507,229 | 54,537,830 | 817,169,654 |
| Finance cost paid | | (402,012,579) | (516,787,585) | (173,802,567) | (306,724,863) |
| Gratuity paid | 13 | (3,385,820) | (479,252) | (3,385,820) | (479,252) |
| Income tax paid | | (42,134,834) | (5,990,739) | (23,723,720) | - |
| **Net cash flows from/(used in) operating activities** | | 622,022,860 | 1,012,249,653 | (146,374,279) | 509,965,539 |
| | | | | | |
| **Cash flows from/(used in) investing activities** | | | | | |
| Acquisition of property, plant and equipment | 4 | (622,423,834) | (416,002,289) | (3,679,042) | (140,116,524) |
| Finance income received | 20.2 | 4,674,410 | 11,833,932 | 4,653,761 | 11,826,345 |
| **Net cash flows from/(used in) investing activities** | | (617,749,424) | (404,168,357) | 974,719 | (128,290,179) |
| | | | | | |
| Cash flows from/(used in) financing activities | | | | | |
| Proceeds from interest bearing loans and borrowings | 12.5 | 518,000,000 | - | - | - |
| Proceeds from Commercial papers | 12.3 | 438,000,000 | - | 438,000,000 | - |
| Lease Rental Paid | 5 | (7,114,902) | (14,912,897) | (111,271) | (8,852,897) |

# STATEMENT OF CASH FLOWS

| For the year ended 31st March | Note | Group 2025 Rs. | Group 2024 Rs. | Company 2025 Rs. | Company 2024 Rs. |
|---|---|---|---|---|---|
| Capital repayments-interest bearing loans and borrowings | 12.5 | (702,500,673) | (337,779,655) | (69,321,513) | (185,734,196) |
| Repayment of Commercial papers | 12.3 | (75,000,000) | - | (75,000,000) | - |
| Dividends paid - ordinary shares | 24 | (86,184,827) | (107,731,034) | (86,184,827) | (107,731,034) |
| Tax on dividends paid by subsidiaries | 22 | (15,211,833) | (19,134,788) | - | - |
| Net cash flows from/(used in) financing activities | | 69,987,765 | (479,558,374) | 207,382,389 | (302,318,127) |
| | | | | | |
| **Net increase/(decrease) in cash and cash equivalents** | | 74,261,202 | 128,522,922 | 61,982,829 | 79,357,232 |
| **Cash and cash equivalents at the beginning of the year** | | (222,277,098) | (350,800,019) | (159,846,271) | (239,203,503) |
| **Cash and cash equivalents at the end of the year** | | (148,015,896) | (222,277,098) | (97,863,442) | (159,846,271) |
| | | | | | |
| **Analysis of cash and cash equivalents** | | | | | |
| Cash in hand and at bank | 10.1 | 63,632,174 | 26,214,357 | 51,941,244 | 23,966,215 |
| Bank overdrafts | 10.2 | (211,648,070) | (248,491,455) | (149,804,686) | (183,812,486) |
| | | | | | |
| **Cash and cash equivalents at the end for the purpose of statement of cash flow** | | (148,015,896) | (222,277,098) | (97,863,442) | (159,846,271) |

Figures in brackets indicate deductions.

The accounting policies and notes as set out in pages 151-201 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## REPORTING ENTITY

### 1.1 Corporate Information

Resus Energy PLC (the 'Company') is a public limited liability company listed on Colombo Stock Exchange incorporated and domiciled in Sri Lanka. The registered office of the Company and its subsidiaries is situated at No. 250/1, Torrington Avenue, Colombo 07. The ordinary shares of the Company are being traded on the Colombo Stock Exchange. The staff strength of the Group as at 31 March 2025 was 108 (2024-112).

### 1.2 Consolidated Financial Statements

The Consolidated Financial Statements of Resus Energy PLC as at and for the year ended 31st March comprise the Company and all its subsidiaries whose accounts have been consolidated therein (the 'Group'). The financial statements of all companies in the Group have a common financial year which ends on 31st March.

Resus Energy PLC does not have any identifiable parent of its own. The Company is the ultimate parent of the Group.

### 1.3 Principal Activities and Nature of Operations

There were no significant changes in the nature of the principal activities of the Group and the Company during the financial year under review. Activities of the Group are described in more detail in the 'Group Structure' on page 08.

All subsidiaries of the Company as at reporting date have been incorporated in Sri Lanka.

## THE COMPANY, RESUS ENERGY PLC

Th Company was incorporated on 11th June 2003 with the objective of investing in power generating companies and to carry on the business of a Venture Capital Company including investment in shares, stocks, options, funds, debentures, debenture stocks, bonds, obligations, or securities or acquiring any other interest whatsoever in any company, public authority, or business concern, investing in ordinary shares in a company engaged in any project specified in section 21H (1) (i) to (iv) of Inland Revenue Act No. 38 of 2000 as amended by the Inland Revenue (Amended) Act No. 37 of 2003 and to dispose of such investments of such terms and conditions as may be thought fit either in the name of the company or any nominee. The Company was engaged in investing in power generating companies and related venture capital activities during the year under review.

The company's name was changed to Resus Enerry PLC form Hemas Power PLC with effect form 5th December 2014 consequent to the 75% ownership change of the Company from Hemas Holdings PLC to a consortium comprising NDB Capital Holdings Limited, ACL Cables PLC and Trydan Partners (Pvt) Limited.

## GROUP ENTITIES

### Fully owned subsidiaries

**Gomale Oya Hydro Power (Pvt) Limited** - The Company is a special purpose entity with rights to develop 1.4MW hydro power plant in Maliboda, Deraniyagala in the district of Kegalle and commenced its commercial operations in August 2016. Gomale Oya Hydro Power (Pvt) Limited generated 1.76 GWh (2.77 GWh – 2023/24) of electricity from hydro power during the year under review and transmitted to feed the national grid.

**Moragaha Oya (Pvt) Limited** – The Company is a special purpose entity with the right to develop 1.5MW hydro power plant located in Panvila, Theldeniya in the district of Kandy and commenced its commercial operations in March 2017. Moragaha Oya (Pvt) Limited generated 5.59 GWh (5.11 GWh – 2023/24) of electricity from hydro power during the year under review and transmitted to feed the national grid.

**Upper Huluganga (Pvt) Limited** – The Company is a special purpose entity with rights to develop 1.9MW hydro power in Panvila, Theldeniya and commenced its commercial operations in July 2019 Upper Huluganga project generated 5.47 GWh (5.20 GWh – 2023/24) of electricity from hydro power during the year under review and transmitted to feed the national grid.

**J.B Power (Pvt) Limited** – The Company is a special purpose entity with rights to develop 0.7MW hydro power at Maliboda, Deraniyagala and commenced its commercial operations in November 2018 Ranwala Oya project generated 3.48 GWh (3.58 GWh – 2023/24) of electricity from hydro power during the year under review and transmitted to feed the national grid.

# NOTES TO THE FINANCIAL STATEMENTS

**Resus Solar (Pvt) Limited** – The Company is a special purpose entity with the right to develop Solar power plants in Mahiyanganaya, Siyambalanduwa and Ampara areas with a total capacity of 12MW. Company commenced its commercial operations in May 2022. Mahiyanganaya & Siyambalanduwa Project generated 12.39 GWh (10.06 GWh – 2023/24) of electricity during the year and transmitted to feed the national grid. Commercial operations of Ampara 5MW Solar power plant commenced on 27th March 2025 and 41,400kWh were transmitted to feed the national grid.

**Sierra Power (Pvt) Limited** – The Company is a special entity with rights to develop a 2MW hydro power plant in Yatimadura area in Nuwara Eliya District and commenced its commercial operations in May 2021. Karapalagama small hydro power project generated 6.96 GWh (6.56GWh – 2023/24) of electricity during the year under review and transmitted to feed the national grid.

**Resus Engineering (Pvt) Limited** The Company is incorporated to carry out design, consultancy and construction in the fields of electrical, mechanical and electronic engineering. During the year company entered into an agreement to provide construction and consultancy services related to 2MW Hydro power project in Deniyaya.

**Resus Eastern Solar (Pvt) Limited** – The Company is a special purpose entity with the right to develop 02MW Solar power plant in Ampara area and 01MW Solar power plant in Pallekele area.

**Resus Solar Electric (Pvt) Limited** – The Company was incorporated with the purpose of developing Solar power and ancillary services in the field of electricity generation and transmission.

### 1.4 Date of Authorization for Issue

The Consolidated Financial Statements of Resus Energy PLC for the year ended 31st March 2025 authorised for issue by the Board of Directors on 31st July 2025.

## 2. Basis of preparation and other accounting policies

### 2.1 Basis of preparation

#### 2.1.1 Statement of Compliance

The Consolidated Financial Statements of the Group and separate financial statements of the Company comprise of the statement of financial position, statement of profit or loss, statement of other comprehensive income, statement of changes in equity, statement of cash flows and notes thereto have been prepared in accordance with Sri Lanka Accounting Standards, promulgated by the Institute of Chartered Accountants of Sri Lanka (CA-Sri Lanka) and comply with the requirements of the Companies Act, No. 7 of 2007 and the listing rules of the CSE.

#### 2.1.2 Responsibility for financial statements

The board of directors is responsible for the preparation and presentation of the financial statements of the Group and the Company as per Sri Lanka Accounting Standards and the provision of the Companies Act No. 07 of 2007.

#### 2.1.3 Basis of Measurement

The Consolidated Financial Statements have been prepared on a historical cost basis, except for financial investment Fair Value through OCI which has been measured at fair value and defined benefit obligations is recognised as the present value of the defined benefit obligation.

#### 2.1.4 Functional and Presentation Currency

These consolidated financial statements are presented in Sri Lankan Rupees, which is the Company's functional currency.

#### Comparative information

The presentation and Classification of the Financial statements of the previous year have been amended, where relevant for better presentation and to be comparable with those of the current year. These have not resulted in any change in the result of the Company.

### 2.2 Significant Accounting Judgements, Estimation and Assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate

is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements set out below.

#### 2.2.1 Going Concern

After considering the financial position, operating conditions, regulatory and other factors and such matters required to be addressed the Directors have a reasonable expectation that the Company possesses adequate resources to continue to adopt the going concern basis in preparing the financial statements.

#### 2.2.2 Defined Benefit Obligations

The Group annually measures the present value of the promised retirement benefits for gratuity, which is a Defined Benefit Plan. The cost of providing benefits under the defined benefits plans is determined using the projected unit credit method. This involves making assumptions on discount rates, future salary increases, mortality rates. All assumptions are reviewed at each reporting date. Due to the long–term nature of these plans, such estimates are subject to significant uncertainty. See Note 13 for the assumptions used.

#### 2.2.3 Estimation of useful Life of Property, Plant and Equipment

The Group reviews the residual values, useful lives, and methods of depreciation of Property, Plant and Equipment at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty.

#### 2.2.4 Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

#### 2.2.5 Impairment of non-financial assets

The Group determines whether the assets have been impaired by performing an impairment review. If any such indication exists or when annual impairment testing for the assets is required, the Group makes an estimate of the assets recoverable amount. This requires the estimation of the 'value in use' of the cash generating units. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the cash generating unit and to select a suitable discount rate in order to calculate the present value of the relevant cash flows. This valuation requires the Group to make estimates about expected future cash flows and discount rates, and hence, they are subject to uncertainty.

## 3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

The Institute of Chartered Accountants of Sri Lanka has issued number of new amendments to Sri Lanka Accounting Standards (SLFRSs/ LKASs) that are effective for the current financial year. These amendments and interpretations did not have any significant impact on the reported financial statements of the Group.

### 3.1 Basis of consolidation

#### 3.1.1 General

The consolidated Financial Statements comprise the financial statements of the Parent and its subsidiaries in terms of the Sri Lanka Accounting Standard – SLFRS 10 on "Consolidated Financial Statements". Thus, the consolidated financial statements present financial information about the Group as a single economic entity distinguishing the equity attributable to the parent (Controlling Interest) and attributable to minority shareholders with non-controlling interest.

#### 3.1.2 Subsidiaries

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

I. Power over the investee (i.e., existing rights that give it the current

# NOTES TO THE FINANCIAL STATEMENTS

ability to direct the relevant activities of the investee)

II. Exposure, or rights, to variable returns from its involvement with the investee

III. The ability to use its power over the investee to affect the amount of the investor's returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

I. The contractual arrangement between the investor and other vote holders. II. Rights arising from other contractual arrangements

III. The investor's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non- controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### 3.1.3 Business Combination

The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date of fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration which is deemed to be a financial liability or as equity that is a financial instrument and within the scope of LKAS 32 Financial Instruments: presentations. If the contingent consideration is not within the scope of LKAS 32, it is measured in accordance with the appropriate SLFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is measured at fair value with changes in fair value either in profit or loss or as a change to the other comprehensive income (OCI).

### 3.1.4 Goodwill and gain from a Bargain Purchase arising on the Acquisition of Subsidiaries

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the

net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain (bargain purchase) is recognised immediately in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination transferred; the gain is recognised in profit or loss.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill is tested for impairment annually as at 31 st March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3.1.5 Non-Controlling Interest

Non-Controlling Interests represent the portion of profit or loss and net assets that is not held by the Group and are presented separately in the Consolidated Statement of profit and loss and within equity in the Consolidated Statement of Financial Position separately from parent shareholders' equity.

Non-controlling interest are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date. The Group elects whether to measure the non-controlling interest in the proportionate share of the acquiree's fair value or at the proportionate share of the acquiree's identifiable net assets.

### 3.1.6 Associates (equity accounted investees) and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method. However, the Company does not have any interest in associate and joint ventures during the year under review.

Under the equity method, the investment in an associate and joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent

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of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the Statement of profit and loss and represents profit or loss before tax.

The Financial Statements of the associate and joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and then recognises the loss in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

## 3.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of related taxes.

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

**(a) Electricity Supplied**

Revenue from electricity supplied is recognised upon delivery of electricity to Ceylon Electricity Board. Delivery of electrical energy shall be completed when electrical energy meets the specifications as set out in Standardised Power Purchase Agreements (SPPA) is received at the metering point.

**(b) Interest Income**

For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense is recorded using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income earned by subsidiaries is included under finance income in the Statement of profit or loss and the interest income earned by the Company from its venture capital activities is shown under Revenue.

**(c) Dividends**

Dividend income is recognised when the Company's right to receive the payment is established.

**(d) Construction contracts**

Revenue from construction related contracts is recognised upon satisfaction of a performance obligation agreed in the contract. The group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

**(e) Others**

Other income is recognised on an accrual basis when it is probable that future economic benefits will flow to the group.

## 3.3 Foreign Currency

**(a) Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the Statement of profit or loss except for all monetary items that forms part of a net investment in a full operation. These are recognised in other comprehensive income until

the disposal of the net investment. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

**(b) Foreign Operations**

The assets and liabilities of foreign operations are translated into Sri Lankan Rupees at the rate of exchange prevailing at the reporting date and their Statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the Statement of profit or loss.

## 3.4 Taxation

### 3.4.1 Income Tax

The provision for income tax is based on the elements of income and expenditure as reported in the financial statements and computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and the amendments thereto.

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the Commissioner General of Inland Revenue. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted on the reporting date in the country where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of profit or loss.

**Resus Energy PLC - Parent**

As per section 02 of Inland Revenue Act No 24 of 2017 Amendment No 45 of 2022, gains and profits from supply of electricity to national grid generated using renewable energy resources by a company will be taxed at 30%.

**Moragaha Oya (Pvt) Limited – Subsidiary**

Pursuant to the agreement entered with BOI, profits of Moragaha Oya (Pvt) Ltd are exempted from income tax for a period of five (5) years reckoned from the year of assessment as may be determined by the BOI, in which the company commences to make profits or any year of assessment not later than two (2) years from the date of commencement of commercial operations of the company, whichever is earlier.

After expiration of the aforesaid tax exemption period, the profit of Moragaha Oya (Pvt) Limited shall be charged for income tax at the rate of 10% for a period of two (2) years immediately succeeding the last date of the tax exemption period.

After expiration of the aforesaid two years concessionary tax period at the rate of 10%, the profits of the company shall, for any year of assessment, be charged at the rate of 20%.

Other subsidiary Companies have not been granted any specific tax holidays under the BOI agreements. As per the section 02 of Inland Revenue Act No 24 of 2017 Amendment No 45 of 2022, gains and profits from supply of electricity to national grid generated using renewable energy resources by a company will be taxed at 30%.

### 3.4.2 Deferred Taxation

Deferred tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except;

i) The initial recognition of goodwill: or

ii) The initial recognition of an asset

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or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except: where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

## 3.5 Property, Plant and Equipment

Property, plant and equipment are tangible items that are held for use in the production of electricity and for administrative purposes which is expected to be used during more than one period.

### (a) Recognition and Measurement

Property, Plant and Equipment is stated at cost except freehold lands, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the expenditure that is directly attributable to the acquisition/ construction, cost of replacing component parts of the Property, Plant and Equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, Plant and Equipment are required to be replaced at intervals, the Group derecognises net book value of the replaced part and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the Plant and Equipment as a replacement if the recognition criteria are satisfied.

### (b) Subsequent Cost

Subsequent expenditure is capitalised only when it is probable that the future economic benefits of the expenditure will flow to the Group. Ongoing repair and maintenance costs are recognised in the statement of profit or loss as incurred.

### (c) Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

### (d) Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised.

When replacement costs are recognised in the carrying amount of an item of property, plant and equipment, the remaining carrying amount of the replaced part is derecognised.

**(e) Revaluation**

When items of Property, Plant and Equipment are subsequently revalued, the entire class of such assets is revalued. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of profit or loss, in which case the increase is recognised in the Statement of profit or loss. A revaluation deficit is recognised in the Statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

## 3.6 Leases

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

**a. The Company as lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**b. The Company as lessee**

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

**Right-of-use assets**

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

The right-of-use assets are presented in Note 5.1 are subject to impairment in line with the Company's policy as described in Note 3,7 Impairment of non-financial assets.

**Lease liabilities**

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

## 3.7 Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount

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of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. In determining fair value less costs to sell, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculations on detailed budgets and forecasts which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecasts generally covering a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year.

Impairment losses of continuing operations are recognized in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, The impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Company estimates the assets or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### 3.8 Borrowing Costs

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

### 3.9 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw Materials - At weighted average cost basis
- Consumables and Spares - At weighted average cost basis
- Goods-in-Transit and Other Stocks - At actual cost

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

### 3.10 Financial Instruments- Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the group becomes a party to thecontractual provisions of the instrument.

#### 3.10.1 Financial Assets

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing

them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15. Refer to the accounting policies in section 3.2, Revenue from contracts with customers.

In order for a financial asset (excluding equity instruments) to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
for purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon recognition (equity instruments)
- Financial assets at fair value through profit or loss

#### 3.10.1.1 Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Group's financial assets at amortised cost include trade receivables and amounts due from related companies.

#### 3.10.1.2 Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the income statement and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon recognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

#### 3.10.1.3 Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity

# NOTES TO THE FINANCIAL STATEMENTS

instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

#### 3.10.1.4 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the income statement.

Dividends on listed equity investments are also recognised as other income in the income statement when the right of payment has been established.

### 3.10.2 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Management has evaluated the recoverability of inter-company balances as of reporting date and has determined that no impairment provision is required.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows

### 3.10.3 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that

reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### 3.10.4 Financial liabilities

#### 3.10.4.1 Recognition and measurement

Financial liabilities are classified as measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 3.10.4.2 Derecognition of financial liabilities

Financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### 3.10.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.10.6 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

### 3.10 Fair Value measurement

The Group measures financial instruments such as financial assets Available for sale and non- financial assets such as certain classes of Property, Plant and Equipment at fair value. Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised under the respective notes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# NOTES TO THE FINANCIAL STATEMENTS

- **Level 1 -** Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and significant liabilities, such as defined benefit obligations. Involvement of external valuers is decided upon annually after discussion with and approval by the Group's Board Audit Committee wherever necessary. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board Audit Committee, whenever necessary after discussions with the Group's external valuers decide which valuation techniques and inputs to use for each case.

At each reporting date the Management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 25.

## 3.11 Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of financial position comprise cash at banks and on hand and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the Group statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## 3.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

## 3.13 Employee benefits

**(a) Defined Contribution Plans –Employees' Provident Fund and Employees' Trust Fund**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed determinable contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Employees are eligible to Employees' Provident Fund (EPF) contributions and Employees' Trust Fund (ETF) contributions as per the respective statutes. These obligations come

within the scope of a defined contribution plan as per LKAS -19 on 'Employee Benefits'.

The Company contributes 12% and 3% of gross emoluments of employees to Employees' Provident Fund and Employees' Trust Fund respectively. The contributions made are expensed to Profit or Loss as and when the contributions are made.

**(b) Defined Benefit Plan – Gratuity**

In accordance with the Gratuity Act No. 12 of 1983, a liability arises for a defined benefit obligation to employees. Such defined benefit obligation is a post-employment benefit obligation falling within the scope of Sri Lanka Accounting Standard LKAS -19 on 'Employee Benefits'.

The liability recognised in the Statement of financial position is the present value of the defined benefit obligation at the reporting date. The calculations are performed annually by a qualified actuary using the projected unit credit method (PUC). Any actuarial gains and losses arising are recognised immediately in other comprehensive income. The discount rate has been derived considering the yield of government bonds.

However, as per the payment of Gratuity Act No. 12 of 1983, this liability only arises upon completion of 5 years of continued service.

The gratuity liability is not externally funded.

## 3.14 Business Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Managing Director (MD) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the MD include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## 3.15 Comparative Information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. Prior year figures and phrases have been restated or reclassified where necessary to conform to the current year presentation. These have not resulted in any change in results of the Group.

## 3.16 New and Amended Standards and Interpretations

The following new accounting standards were issued by the Institute of Chartered Accountants in Sri Lanka which are not yet effective as at 31 March 2025. Accordingly, these accounting standards have not been applied in the preparation of the Financial Statements for the year ended 31 March 2025.

**Standards issued but not yet effective**

The new and amended standards and interpretations that are issued up to the date of issuance of the Company's financial statements but are not effective for the current annual reporting period, are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following amended standards are not expected to have a significant impact on the Company's financial statements.

### Lack of Exchangeability – Amendments to LKAS 21

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments are not expected to have a material impact on the group /company's financial statement.

# NOTES TO THE FINANCIAL STATEMENTS

## 4 PROPERTY, PLANT AND EQUIPMENT

### 4.1 Group

| | Freehold land | Civil constructions at power plants | Office equipment | Furniture and fittings | Plant and machinery at power plants |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Cost** | | | | | |
| Balance 1st April 2023 | 19,900,000 | 2,289,684,214 | 11,506,171 | 16,787,061 | 2,375,379,037 |
| Additions | 138,683,107 | 70,076,609 | 1,633,542 | 386,162 | 140,815,999 |
| Disposals | - | - | - | - | - |
| Transfer - Capital work in progress | - | 40,590,581 | - | - | 218,114,903 |
| **Balance as at 31st March 2024** | 158,583,107 | 2,400,351,404 | 13,139,713 | 17,173,223 | 2,734,309,939 |
| | | | | | |
| Additions | - | 268,285 | 2,862,698 | 342,630 | 557,216 |
| Disposals | - | (110,000) | (754,595) | - | (22,640) |
| Transfer - Capital work in progress | - | 119,441,601 | - | - | 356,649,131 |
| **Balance as at 31st March 2025** | 158,583,107 | 2,519,951,290 | 15,247,816 | 17,515,853 | 3,091,493,646 |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| Balance 1st April 2023 | - | 203,772,901 | 10,020,342 | 14,978,583 | 360,764,230 |
| Charge for the year | - | 37,697,100 | 728,529 | 1,349,397 | 74,750,083 |
| **Balance as at 31st March 2024** | - | 241,470,001 | 10,748,871 | 16,327,980 | 435,514,313 |
| | | | | | |
| Charge for the year | - | 39,200,002 | 1,248,463 | 416,424 | 82,047,122 |
| Disposals | - | (110,000) | (752,702) | - | (6,099) |
| **Balance as at 31st March 2025** | - | 280,560,003 | 11,244,632 | 16,744,404 | 517,555,336 |
| | | | | | |
| **Carrying value as at 31st March 2024** | 158,583,107 | 2,158,881,403 | 2,390,842 | 845,243 | 2,298,795,626 |
| | | | | | |
| **Carrying value as at 31st March 2025** | 158,583,107 | 2,239,391,287 | 4,003,184 | 771,449 | 2,573,938,310 |

| Computer equipment | Motor vehicles | Generators | Construction in Progress | Total |
|---|---|---|---|---|
| Rs. | Rs. | Rs. | Rs. | Rs. |
| | | | | |
| 9,288,976 | 10,902,780 | 2,347,752 | 273,154,593 | 5,008,950,584 |
| 657,450 | - | - | 94,969,175 | 447,222,044 |
| - | - | - | - | - |
| - | - | - | (258,705,484) | - |
| 9,946,426 | 10,902,780 | 2,347,752 | 109,418,284 | 5,456,172,628 |
| | | | | |
| 1,881,976 | 460,000 | - | 620,554,609 | 626,927,414 |
| (391,324) | - | (9,000) | (65,000) | (1,352,559) |
| - | - | - | (476,090,732) | - |
| 11,437,078 | 11,362,780 | 2,338,752 | 253,817,161 | 6,081,747,483 |
| | | | | |
| | | | | |
| 9,121,459 | 10,646,330 | 1,776,347 | - | 611,080,192 |
| 260,312 | 205,894 | 194,823 | - | 115,186,138 |
| 9,381,771 | 10,852,224 | 1,971,170 | - | 726,266,330 |
| | | | | |
| 779,631 | 145,980 | 125,004 | - | 123,962,626 |
| (391,324) | - | (9,000) | - | (1,269,125) |
| 9,770,078 | 10,998,204 | 2,087,174 | - | 848,959,831 |
| | | | | |
| 564,655 | 50,556 | 376,582 | 109,418,284 | 4,729,906,298 |
| | | | | |
| 1,667,000 | 364,576 | 251,578 | 253,817,161 | 5,232,787,652 |

# NOTES TO THE FINANCIAL STATEMENTS

## 4.2 During the year fixed assets additions and cash payments - Group

During the financial year, the Group acquired Property, Plant and Equipment to the aggregate value of Rs. 626,927,414/- (2024 - Rs. 447,222,044/-). Cash payments amounted to Rs. 622,423,834/- (2023 - Rs. 416,002,289/-) were made during the year for acquisition/ construction of Property, Plant and Equipment.

## 4.3 Information on freehold lands and buildings of the group - extents and locations

### 4.3.1 Freehold lands

| Name of the company | Location | Freehold land extent |
|---|---|---|
| Resus Energy PLC | No 503, Thimbirigasyaya Road, Colombo 05 | 0A - 0R - 12.56P |
| Resus Energy PLC | Giddawa, Digana, Teldeniya | 1A - 3R - 30.90P |
| Resus Energy PLC | Dikkellakanda, Maliboda, Deraniyagala | 0A - 3R - 31.83P |
| Gomale Oya Hydro Power (Pvt) Limited | Magala, Deraniyagala | 1A - 0R - 26.91P |
| | | 4A - 0R - 22.20P |

### 4.3.2 Freehold buildings

| Name of the company | Location | No. of buildings | Sq. ft. of buildings |
|---|---|---|---|
| Resus Energy PLC | Giddawa, Digana, Teldeniya | 2 | 4,103 |
| Resus Energy PLC | Lindula, Talawakelle | 2 | 5,078 |
| Resus Energy PLC | Dikkellakanda, Maliboda, Deraniyagala | 2 | 3,504 |
| Resus Energy PLC | Mahagalugolla, Siyambalanduwa | 2 | 450 |
| Gomale Oya Hydro Power (Pvt) Limited | Magala, Deraniyagala | 2 | 2,518 |
| Moragaha Oya (Pvt) Limited | Panvila, Theldeniya | 1 | 1,520 |
| JB Power (Pvt) Limited | Maliboda, Deraniyagala | 1 | 2,100 |
| Upper Huluganga (Pvt) Ltd | Kosgama, Panvila | 1 | 1,400 |
| Sierra Power (Pvt) Ltd | Karapalagama, Nildandahinna | 1 | 2,050 |
| Resus Solar (Pvt) Ltd | Kuda Oya, Wellanpela, Mahiyanganaya | 3 | 1,095 |
| Resus Solar (Pvt) Ltd | Neeththa, Damana,Ampara | 2 | 550 |
| | | 19 | 24,368 |

The carrying value of the above buildings is reflected under civil constructions in hydropower and Solarpower plants.

## 4.4 Property, plant and equipment pledged as securities against long-term bank loans

Land, buildings including civil structures and power generating equipment of hydro and solar power projects with a carrying value of Rs. 4,357,060,845/- have been pledged as security against bank loans as at the reporting date (2024 - 4,020,283,296/-).

| Company | Lender | Carrying value as at 31st March 2025 (Rs.) | | | | Total loan outstanding as at 31st March 2025 (Rs.) |
|---|---|---|---|---|---|---|
| | | Freehold land | Civil structures | Power plant and machinery | Total | |
| Resus Energy PLC | National Development Bank PLC / Seylan Bank PLC | 16,000,000 | 480,927,849 | 550,872,585 | 1,047,800,434 | 256,326,233 |
| Gomale Oya Hydro Power (Pvt) Ltd | Sampath Bank PLC | 3,900,000 | 116,390,806 | 115,486,873 | 235,777,679 | 80,705,172 |
| Moragaha Oya (Pvt) Ltd | Pan Asia Banking Corporation | - | 178,343,528 | 165,418,728 | 343,762,256 | 185,677,000 |
| JB Power (Pvt) Ltd | DFCC Bank PLC | - | 178,770,482 | 93,333,251 | 272,103,733 | 148,787,330 |
| Upper Huluganga (Pvt) Ltd | Pan Asia Banking Corporation | - | 298,255,365 | 132,920,681 | 431,176,046 | 245,071,393 |
| Sierra Power (Pvt) Ltd | DFCC Bank PLC | - | 404,926,234 | 210,402,075 | 615,328,309 | 641,384,684 |
| Resus Solar (Pvt) Ltd | DFCC Bank PLC / Commercial Bank of Ceylon PLC | - | 462,217,988 | 948,894,400 | 1,411,112,388 | 833,642,099 |
| | | 19,900,000 | 2,119,832,252 | 2,217,328,593 | 4,357,060,845 | 2,391,593,911 |

### 4.5 Fully depreciated but still in use

The cost of fully-depreciated property, plant and equipment of the Group which are still in use amounted to Rs. 62,114,130/- (2024 - Rs. 51,058,081/-).

### 4.6 Impairment

Based on the assessment of potential impairment carried out internally for fixed assets by the board of directors as at 31 March 2025, no provision was required to be made in the financial statements.

### 4.7 Borrowing Costs

Borrowing costs amounting Rs. 4,503,580/- that are directly attributable to the acquisition, construction or production of a qualifying assets have been capitalized during the year as part of the cost of the asset in accordance with Sri Lanka Accounting Standard - LKAS 23 on Borrowing Costs (2024- Rs. 31,219,755/-)

### 4.8 The useful lives of the assets of the Group are estimated as follows:

| | 2025 | 2024 |
|---|---|---|
| Civil constructions at power plants | 60 Years* | 60 Years |
| Plant and machineries at power plants | 33 1/3 Years* | 33 1/3 Years |
| Office equipment | 8 Years | 8 Years |
| Furniture and fittings | 8 Years | 8 Years |
| Computer equipment | 3 Years | 3 Years |
| Motor vehicles | 6 Years | 6 Years |
| Generators | 8 Years | 8 Years |

* The useful life of Civil Constructions and Power Plant and Machineries have been determined by Management, considering experience and/or knowledge of existing contract term and its expected renewals upon contract expiry.

# NOTES TO THE FINANCIAL STATEMENTS

## 4.9 Company

| | Freehold land | Civil construction at power plants | Plant and machinery at power plants | Computer equipment | Motor vehicles |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| Balance 1st April 2023 | 16,000,000 | 625,274,470 | 833,537,907 | 8,804,988 | 9,809,050 |
| Additions | 138,683,107 | - | - | 494,950 | - |
| **Balance as at 31st March 2024** | 154,683,107 | 625,274,470 | 833,537,907 | 9,299,938 | 9,809,050 |
| Additions | - | - | - | 1,227,699 | - |
| Disposals | - | (110,000) | (22,640) | (391,324) | - |
| **Balance as at 31st March 2025** | 154,683,107 | 625,164,470 | 833,515,267 | 10,136,313 | 9,809,050 |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| Balance 1st April 2023 | - | 122,857,061 | 232,521,364 | 8,612,518 | 9,700,280 |
| Charge for the year | | 10,689,780 | 25,123,886 | 246,754 | 106,968 |
| **Balance as at 31st March 2024** | - | 133,546,841 | 257,645,250 | 8,859,272 | 9,807,248 |
| Charge for the year | | 10,799,780 | 25,003,531 | 708,986 | - |
| Disposals | - | (110,000) | (6,099) | (391,324) | - |
| **Balance as at 31st March 2025** | - | 144,236,621 | 282,642,682 | 9,176,934 | 9,807,248 |
| | | | | | |
| **Carrying value as at 31st March 2024** | 154,683,107 | 491,727,629 | 575,892,657 | 440,666 | 1,802 |
| **Carrying value as at 31st March 2025** | 154,683,107 | 480,927,849 | 550,872,585 | 959,379 | 1,802 |

## 4.10 During the year fixed assets additions and cash payments - Company

During the financial year, the Company acquired Property, Plant and Equipment to the aggregate value of Rs. 3,679,042/- for cash payments. (2024 - Rs. 140,116,524/-).

## 4.11 Fully depreciated but still in use

The cost of fully depreciated assets of the Company which are still in use as at 31 March 2025 amounts to Rs. 58,042,891/- (2024- Rs. 49,039,139/-).

## 4.12 Borrowing Costs

There is no borrowing cost capitalized during the year in accordance with Sri Lanka Accounting Standards - LKAS 23 on Borrowing Costs during the periods ending 31st March 2025 and 31st March 2024.

| Office equipment | Furniture and fittings | Generators | Construction in Progress | Total |
|---|---|---|---|---|
| | | | | |
| 10,901,523 | 16,407,355 | 1,347,752 | - | 1,522,083,045 |
| 670,249 | 98,135 | - | 170,083 | 140,116,524 |
| 11,571,772 | 16,505,490 | 1,347,752 | 170,083 | 1,662,199,569 |
| 314,786 | 42,293 | - | 2,094,264 | 3,679,042 |
| (754,595) | - | (9,000) | - | (1,287,559) |
| 11,131,963 | 16,547,783 | 1,338,752 | 2,264,347 | 1,664,591,052 |
| | | | | |
| | | | | |
| 9,590,037 | 14,825,843 | 1,277,933 | - | 399,385,037 |
| 629,768 | 1,278,118 | 69,819 | - | 38,145,091 |
| 10,219,805 | 16,103,961 | 1,347,752 | - | 437,530,128 |
| 993,925 | 320,445 | - | - | 37,826,667 |
| (752,702) | - | (9,000) | - | (1,269,125) |
| 10,461,028 | 16,424,406 | 1,338,752 | - | 474,087,670 |
| | | | | |
| 1,351,967 | 401,529 | - | 170,083 | 1,224,669,441 |
| 670,935 | 123,377 | - | 2,264,347 | 1,190,503,382 |

# NOTES TO THE FINANCIAL STATEMENTS

## 5 RIGHT OF USE ASSETS AND LEASES

### 5.1 Right of use assets

Group

| | Balance as at 01.04.2024 | Advance payment for leases | Additions / Adjustments | Balance as at 31.03.2025 |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| **Cost** | | | | |
| Land - Hydro Power Plant Premises | 30,481,897 | - | - | 30,481,897 |
| Building - Office Premises | 17,738,552 | - | - | 17,738,552 |
| | 48,220,449 | - | - | 48,220,449 |

| | Balance as at 01.04.2024 | Charge during the year | Adjustments | Balance as at 31.03.2025 |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| **Accumulated Depreciation and Impairment** | | | | |
| Land - Hydro Power Plant Premises | 7,458,386 | 1,204,134 | - | 8,662,520 |
| Building - Office Premises | 12,783,062 | 4,955,490 | - | 17,738,552 |
| | 20,241,448 | 6,159,624 | - | 26,401,072 |

| Net book value as at 31st March, | 2025 | 2024 |
|---|---|---|
| | Rs. | Rs. |
| Land - Hydro Power Plant Premises | 21,819,377 | 23,023,511 |
| Building - Office Premises | - | 4,955,490 |
| | 21,819,377 | 27,979,001 |

Company

| | Balance as at 01.04.2024 | Advance payment for leases | Additions | Balance as at 31.03.2025 |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs.. |
| **Cost** | | | | |
| Land - Hydro Power Plant Premises | 724,500 | - | - | 724,500 |
| Building - Office Premises | 17,738,552 | - | - | 17,738,552 |
| | 18,463,052 | - | - | 18,463,052 |

| | Balance as at 01.04.2024 | Charge during the year | Adjustments | Balance as at 31.03.2025 |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| **Accumulated Depreciation and Impairment** | | | | |
| Land - Hydro Power Plant Premises | 284,358 | 58,825 | - | 343,183 |
| Building - Office Premises | 12,725,476 | 5,013,076 | - | 17,738,552 |
| | 13,009,834 | 5,071,901 | - | 18,081,735 |

| Net book value as at 31st March, | 2025 | 2024 |
|---|---|---|
| | Rs. | Rs. |
| Land - Hydro Power Plant Premises | 381,317 | 440,142 |
| Building - Office Premises | - | 5,013,076 |
| | 381,317 | 5,453,218 |

The useful lives of the assets of the Group are estimated as follows:

| | 2025 | 2024 |
|---|---|---|
| Land | 12 years-25 years | 12 years-25 years |
| Building | 5 years | 5 years |

## 5.2 Lease Liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate can not be readily determined, the company's incremental borrowing rate. The movement of Lease creditor for the period is as follows;

**Group**

| | Balance as at 01.04.2024 | Additions | Interest expense | Payments | Balance as at 31.03.2025 |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Land - Hydro Power Plant Premises | 29,858,015 | - | 2,954,652 | (7,114,902) | 25,697,765 |
| | 29,858,015 | - | 2,954,652 | (7,114,902) | 25,697,765 |

**Company**

| | Balance as at 01.04.2024 | Additions | Interest expense | Payments | Balance As at 31.03.2025 |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Land - Hydro Power Plant Premises | 548,336 | - | 57,416 | (111,271) | 494,481 |
| | 548,336 | - | 57,416 | (111,271) | 494,481 |

# NOTES TO THE FINANCIAL STATEMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Current portion of lease liability | 3,690,270 | 4,986,270 | 111,270 | 111,270 |
| Non-current portion of lease liability | 22,007,495 | 24,871,745 | 383,211 | 437,066 |
| Total | 25,697,765 | 29,858,015 | 494,481 | 548,336 |

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| The following are the amounts recognized in the Statement of Profit or Loss: | | | | |
| Depreciation expense of Right-of-Use Assets | 6,159,624 | 4,013,425 | 5,071,901 | 2,601,152 |
| Interest expense on lease liabilities | 2,954,652 | 3,399,806 | 57,416 | 435,185 |

### 5.3 Maturity Analysis of Lease Liability

The table below summarises the maturity profile of the Lease Liability as at 31 March 2025 based on contractual undiscounted (principal plus interest) payments.

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Less than 1 year | 3,690,270 | 3,690,270 | 111,270 | 111,270 |
| 1 to 5 years | 15,641,060 | 15,641,060 | 445,080 | 445,080 |
| More than 5 years | 37,544,270 | 41,234,540 | 111,270 | 222,540 |
| | 56,875,600 | 60,565,870 | 667,620 | 778,890 |

The Total Cash outflow of thr group for leases is Rs.7,114,902/- (2024 - Rs.14,912,897), while company paid Rs. 111,271 (2024 - 8,852,897) for leases.

## 6 INTANGIBLE ASSETS

### 6.1 Group

| Gross value | Balance as at 01.04.2024 | Additions / Impairment | Balance as at 31.03.2025 |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| Goodwill | 181,139,889 | - | 181,139,889 |
| | 181,139,889 | - | 181,139,889 |

| Total carrying value - As at 31st March | 2025 | 2024 |
|---|---|---|
| | Rs. | Rs. |
| Goodwill | 181,139,889 | 181,139,889 |
| | 181,139,889 | 181,139,889 |

## 6.2 Company

| Gross value | Balance as at 01.04.2024 | Additions / Impairment | Balance as at 31.03.2025 |
|---|---|---|---|
| | Rs. | Rs. | Rs. |
| Goodwill | 125,407,510 | - | 125,407,510 |
| | 125,407,510 | - | 125,407,510 |

| Total carrying value - As at 31st March | 2025 | 2024 |
|---|---|---|
| | Rs. | Rs. |
| Goodwill | 125,407,510 | 125,407,510 |
| | 125,407,510 | 125,407,510 |

## 6.3 Following business acquisitions resulted in recognition of Goodwill at the year of acquisition ;

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Upper Magalganga Hydro Power Plant (CGU) | 19,059,962 | 19,059,962 | 19,059,962 | 19,059,962 |
| Upper Agra Oya Hydro Power Plant (CGU) | 106,347,548 | 106,347,548 | 106,347,548 | 106,347,548 |
| Sierra Power (Pvt) Ltd | 55,732,379 | 55,732,379 | - | - |
| | 181,139,889 | 181,139,889 | 125,407,510 | 125,407,510 |

## 6.4

The Company and its subsidiaries annually carry out impairment tests on all its intangible assets. The business acquisition to which the goodwill is attributable is valued based on the earnings growth method. Assumptions applied in such computations are reviewed each year.

Goodwill as at the date of financial position has been tested for impairment and found no impairment for the carrying value. Recoverable values for the above test was estimated based on value in use of the acquired assets on business combination in the normal course of business. The key assumptions used to determine the recoverable amount are as follows;

**Period covered**

Period covered was as per the Standard Power Purchase Agreement(SPPA) with Ceylon Electricity Board,

| Subsidiary | Discount Rate | Remaining years* | Current Tariff per KWh (Rs.) | Plant Load Factor |
|---|---|---|---|---|
| Okanda Power Grid (CGU) | 13.49% | 05 Years | 14.58 | 36% |
| Upper Agra Oya Hydro Power (CGU) | 13.72% | 15 Years | 10.97 | 37% |
| Sierra Power (Pvt) Ltd | 10.12% | 10 Years | 18.55 | 41% |

*The value in use computations have been prepared by assuming current SPPA will be extended/ renewed by twenty years at expiration of the remaining years. Current developments in the sector were considered to forecast the renewed tariff.

# NOTES TO THE FINANCIAL STATEMENTS

**6.5 The key assumptions used to determine the recoverable amount for the different CGUs, are as follows;**

| Variable | Cash Generating Unit | Sensitivity | | |
|---|---|---|---|---|
| | | Change | Impact on VIU | Impact on Goodwill |
| **Discount Rate** | | | | |
| The discount rate used is the risk free rate, adjusted by the addition of an appropriate risk premium. | Okanda Power Grid (CGU) | Increase By 1% | -6% | No Impact |
| | Upper Agra Oya Hydro Power (CGU) | Increase By 1% | -5% | No Impact |
| | Sierra Power (Pvt) Ltd | Increase By 1% | -15% | Impairment Rs.55 Mn |
| **Plant Load Factor** | | | | |
| Plant Load Factor used is is the actual output ratio of a power plant compared to its maximum potential output, assuming that historical usage reflects the plant's efficiency and effective utilization. | Okanda Power Grid (CGU) | Decreases By 1% | -3% | No Impact |
| | Upper Agra Oya Hydro Power (CGU) | Decreases By 1% | -4% | No Impact |
| | Sierra Power (Pvt) Ltd | Decreases By 1% | -6% | Impairment Rs.26 Mn |

The sensitivity analysis is based on a change in a key assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the Value in Use as it is unlikely that changes in assumptions would occur in isolation from one another.

Above assumptions are affected by expected future market and future economic conditions

## 7 INVESTMENTS IN SUBSIDIARIES

| | Effective holding % | | No. of shares | | Cost of investment | |
|---|---|---|---|---|---|---|
| As at 31 March | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | | | | | Rs. | Rs. |
| Rawanakanda Hydro Power (Pvt) Ltd | 100% | 100% | 10 | 10 | 100 | 100 |
| J.B Power (Pvt) Ltd | 100% | 100% | 1,045,005 | 1,045,005 | 120,310,995 | 120,310,995 |
| Resus Solar (Pvt) Ltd | 100% | 100% | 85,333,097 | 61,833,097 | 1,064,830,970 | 618,330,970 |
| Sierra Power (Pvt) Ltd | 100% | 100% | 8,680,003 | 8,680,003 | 180,000,020 | 180,000,020 |
| Resus Engineering (Pvt) Ltd | 100% | 100% | 100 | 100 | 1,000 | 1,000 |
| Resus Eastern Solar (Pvt) Ltd | - | 100% | - | 100 | - | 1,000 |
| Upper Huluganga (Pvt) Ltd | 100% | 100% | 660,002 | 660,002 | 66,000,020 | 66,000,020 |
| Moragaha Oya (Pvt) Ltd | 100% | 100% | 1,470,002 | 1,470,002 | 147,000,020 | 147,000,020 |
| Gomale Oya Hydro Power (Pvt) Ltd | 100% | 100% | 1,000,001 | 1,000,001 | 100,000,000 | 100,000,000 |
| | | | | | 1,678,143,125 | 1,231,644,125 |

## 8 INVENTORIES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Stocks-Tools and spare parts | 73,584,886 | 99,957,263 | 11,290,403 | 14,581,724 |
| Total inventories at the lower of cost and net realisable value | 73,584,886 | 99,957,263 | 11,290,403 | 14,581,724 |

## 9 TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Trade receivables (Note 9.1) | 165,928,339 | 295,168,229 | 26,270,168 | 146,199,930 |
| Advances, deposits and pre-payments | 120,854,849 | 163,269,287 | 35,774,767 | 93,847,862 |
| Staff loans receivable (Note 9.2) | 1,151,299 | 1,143,132 | 636,266 | 810,099 |
| Other receivables | 167,317,603 | 58,881,303 | 167,156,267 | 46,786,305 |
| Group balance receivable (Note 9.3) | - | - | 4,249,108 | 17,934,528 |
| | 455,252,090 | 518,461,951 | 234,086,576 | 305,578,724 |

### 9.1 Trade receivables

Trade Receivables comprise mainly from receivable from the Ceylon Electricity Board which is the sole electricity buyer of the Group. Based on the assessment of impairment carried out on trade receivables, no impairment provision is required to be made as of the reporting date. As at 31st March 2025, the ageing analysis of Group trade receivables is as follows.

| Company | 2025 | | | |
|---|---|---|---|---|
| | Total | Current | < 30 days | < 60 days |
| | Rs. | Rs. | Rs. | Rs. |
| Resus Energy PLC | 26,270,168 | 20,974,550 | 5,086,085 | 209,533 |
| | 26,270,168 | 20,974,550 | 5,086,085 | 209,533 |

| Group | Total | Current | < 30 days | < 60 days |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| Resus Energy PLC | 26,270,168 | 20,974,550 | 5,086,085 | 209,533 |
| Gomale Oya Hydro Power (Pvt) Ltd | 705,072 | 705,072 | - | - |
| Moragaha Oya (Pvt) Ltd | 10,228,522 | 9,040,531 | - | 1,187,991 |
| JB Power (Pvt) Ltd | 670,622 | 670,622 | - | - |
| Resus Solar (Pvt) Ltd | 31,025,280 | 16,510,939 | 14,514,341 | - |
| Sierra Power (Pvt) Ltd | 62,038,456 | 41,098,660 | 20,939,796 | - |
| Upper Huluganga (Pvt) Ltd | 12,279,316 | 6,706,918 | 5,572,398 | - |
| Resus Engineering (Pvt) Ltd | 22,710,904 | 21,210,904 | - | 1,500,000 |
| | 165,928,339 | 116,918,195 | 46,112,621 | 2,897,523 |

| Company | 2024 | | | |
|---|---|---|---|---|
| | Total | Current | < 30 days | < 60 days |
| | Rs. | Rs. | Rs. | Rs. |
| Resus Energy PLC | 146,199,930 | 93,722,923 | 21,671,902 | 30,805,105 |
| | 146,199,930 | 93,722,923 | 21,671,902 | 30,805,105 |

| Group | Total | Current | < 30 days | < 60 days |
|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. |
| Resus Energy PLC | 146,199,930 | 93,722,923 | 21,671,902 | 30,805,105 |
| Gomale Oya Hydro Power (Pvt) Ltd | 20,999,767 | 20,999,767 | - | - |
| Moragaha Oya (Pvt) Ltd | 50,260,727 | 48,097,662 | - | 2,163,065 |
| JB Power (Pvt) Ltd | 1,153,599 | 1,153,599 | - | - |
| Resus Solar (Pvt) Ltd | 31,021,984 | 28,329,438 | - | 2,692,546 |
| Sierra Power (Pvt) Ltd | 37,123,179 | 34,909,917 | 2,213,262 | - |
| Upper Huluganga (Pvt) Ltd | 6,909,043 | 6,909,043 | - | - |
| Resus Engineering (Pvt) Ltd | 1,500,000 | - | - | 1,500,000 |
| | 295,168,229 | 234,122,349 | 23,885,164 | 37,160,716 |

## 9.2 Staff loans receivable

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Balance at the beginning of the year | 1,143,132 | 568,049 | 810,099 | 518,849 |
| Loans granted during the year | 2,183,692 | 1,588,500 | 1,201,692 | 1,180,000 |
| Less: Repayments | (2,175,525) | (1,013,417) | (1,375,525) | (888,750) |
| Balance at the end of the year | 1,151,299 | 1,143,132 | 636,266 | 810,099 |

## 9.3 Group balance receivable

| Company name | Relationship | Company | |
|---|---|---|---|
| | | 2025 | 2024 |
| | | Rs. | Rs. |
| Rawanakanda Hydro Power (Pvt) Ltd | Subsidiary | 1,076,969 | 1,005,643 |
| Resus Solar (Pvt) Ltd | Subsidiary | 1,804,148 | 16,697,650 |
| Resus Eastern Solar (Pvt) Ltd | Subsidiary | 1,367,991 | 231,235 |
| | | 4,249,108 | 17,934,528 |

**9.3.1** Summary of related party balances movement is elaborated in note 28.2.

**9.3.2** Based on the assessment of potential impairment carried out internally by the board of directors as at 31 March 2025, no provision was required to be made in the financial statements.

## 10 CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| **10.1 Favourable cash and cash equivalent balances** | | | | |
| Cash in hand and at bank | 63,632,174 | 26,214,357 | 51,941,244 | 23,966,215 |
| **10.2 Unfavourable cash and cash equivalent balances** | | | | |
| Bank overdrafts | (211,648,070) | (248,491,455) | (149,804,686) | (183,812,486) |
| Total cash and cash equivalents for the purpose of statement of cash flow | (148,015,896) | (222,277,098) | (97,863,442) | (159,846,271) |

## 11 STATED CAPITAL - GROUP/COMPANY

| Fully paid ordinary shares | 2025 | | 2024 | |
|---|---|---|---|---|
| | No of Shares | Rs. | No of Shares | Rs. |
| At the beginning of the year | 86,184,827 | 967,483,260 | 86,184,827 | 967,483,260 |
| Issue of new shares / Scrip Dividend | - | - | - | - |
| At the end of the year | 86,184,827 | 967,483,260 | 86,184,827 | 967,483,260 |

## 12 INTEREST BEARING LOANS AND BORROWINGS

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Commercial Papers | 366,014,143 | - | 366,014,143 | - |
| Debentures | 628,142,614 | 628,912,608 | 628,142,614 | 628,912,608 |
| Term loans | 2,391,593,912 | 2,579,258,922 | 256,326,236 | 323,218,885 |
| | 3,385,750,669 | 3,208,171,530 | 1,250,482,993 | 952,131,493 |

### 12.1 Non Current portion of Interest Bearing Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Debentures | 403,290,000 | 403,290,000 | 403,290,000 | 403,290,000 |
| Term Loans | 1,968,588,942 | 1,849,566,849 | 172,988,380 | 229,930,480 |
| | 2,371,878,942 | 2,252,856,849 | 576,278,380 | 633,220,480 |

# NOTES TO THE FINANCIAL STATEMENTS

## 12.2 Current Portion of Interest Bearing Borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Commercial Papers | 366,014,143 | - | 366,014,143 | - |
| Debentures | 224,852,614 | 225,622,608 | 224,852,614 | 225,622,608 |
| Term Loans | 426,004,971 | 729,692,073 | 83,337,856 | 93,288,405 |
| | 1,013,871,728 | 955,314,681 | 674,204,613 | 318,911,013 |

## 12.3 Commercial Papers

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| At the beginning of the year | - | - | - | - |
| New commercial papers issued | 438,000,000 | - | 438,000,000 | - |
| Interest charged to profit or loss (Note 20.1) | 1,589,918 | - | 1,589,918 | - |
| Interest Transferred to Project | 3,525,058 | - | 3,525,058 | - |
| Interest payments | (2,100,833) | - | (2,100,833) | - |
| Capital repayments during the year | (75,000,000) | - | (75,000,000) | - |
| **At the end of the year at amortised cost** | 366,014,143 | - | 366,014,143 | - |
| | | | | |
| **Classified as current liabilities (repayable within one year)** | 366,014,143 | - | 366,014,143 | - |
| **Classified as non-current liabilities (repayable after one year)** | - | - | - | - |
| | 366,014,143 | - | 366,014,143 | - |

## 12.4 Debentures

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| At the beginning of the year | 628,912,608 | 654,313,969 | 628,912,608 | 654,313,969 |
| Debenture Interest charged to Profit or loss (Note 20.1) | 71,207,834 | 94,598,606 | 71,207,834 | 94,598,606 |
| Interest Transferred to Projects | - | 22,189,930 | - | 22,189,930 |
| Debenture Interest Payments | (71,977,828) | (142,189,897) | (71,977,828) | (142,189,897) |
| At the end of the year at amortised cost | 628,142,614 | 628,912,608 | 628,142,614 | 628,912,608 |
| | | | | |
| Classified as current liabilities (repayable within one year) | 224,852,614 | 225,622,608 | 224,852,614 | 225,622,608 |
| Classified as non-current liabilities (repayable after one year) | 403,290,000 | 403,290,000 | 403,290,000 | 403,290,000 |
| | 628,142,614 | 628,912,608 | 628,142,614 | 628,912,608 |

### 12.4.1 Details of debentures as at 31 March 2025

| Type | Tenure | Interest Rate | | Issued Quantity | Total price |
|---|---|---|---|---|---|
| | | | Rs. | | Rs. |
| A | 3 Years (2022/2025) | Floating Rate of AWPLR +1.75% p.a payable quarterly | 100 | 2,080,600 | 208,060,000 |
| B | 5 Years (2022/2027) | Floating Rate of AWPLR +2.25% p.a payable quarterly | 100 | 4,032,900 | 403,290,000 |
| | | | | 6,113,500 | 611,350,000 |

## 12.5 Term Loans

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| At the beginning of the year | 2,579,258,922 | 2,833,183,713 | 323,218,885 | 555,768,318 |
| Loans obtained during the year | 518,000,000 | - | - | - |
| Interest charged to profit or loss (Note 20.1) | 273,167,644 | 380,835,168 | 69,283,276 | 91,965,890 |
| Borrowing cost capitalized | 978,522 | 9,029,825 | - | - |
| Interest payments | (277,310,502) | (306,010,129) | (66,854,412) | (138,781,127) |
| Capital repayments during the year | (702,500,673) | (337,779,655) | (69,321,513) | (185,734,196) |
| At the end of the year at amortised cost | 2,391,593,912 | 2,579,258,922 | 256,326,236 | 323,218,885 |
| | | | | |
| Classified as current liabilities (repayable within one year) | 423,004,971 | 729,692,073 | 83,337,856 | 93,288,405 |
| Classified as non-current liabilities (repayable after one year) | 1,968,588,942 | 1,849,566,849 | 172,988,380 | 229,930,480 |
| | 2,391,593,912 | 2,579,258,922 | 256,326,236 | 323,218,885 |

# NOTES TO THE FINANCIAL STATEMENTS

## 12.6 Details of loans as at 31 March 2025

| Company | Facility | Lenders | Principal amount | Amount outstanding | Repayments terms* | Interest rate |
|---|---|---|---|---|---|---|
| | | | Rs. | Rs. | | |
| Resus Energy PLC | Project Financing Loan Facility | Seylan Bank PLC | 175,000,000 | 125,999,520 | Repayable in 107 monthly installments commencing from April 2021. | 1 month AWPLR based plus margin |
| Resus Energy PLC | Project Financing Loan Facility | Seylan Bank PLC | 50,000,000 | 32,414,300 | Repayable in 96 monthly installments commencing from May 2021. | Fixed rate |
| Resus Energy PLC | Project Financing Loan Facility | National Development Bank PLC | 350,000,000 | 97,912,413 | Repayable in 84 monthly installments commencing from May 2020. | Weekly AWPLR based plus margin |
| Gomale Oya Hydro Power (Pvt) Ltd | Project financing loan facility | Sampath Bank PLC | 117,500,000 | 80,705,172 | Repayable in 110 monthly installments commenced from February 2023. | 3 months AWPLR based plus margin |
| Moragaha Oya (Pvt) Ltd | Credit Facility | Pan Asia Bank Corporation | 75,000,000 | 71,875,000 | Repayable in 96 monthly installments commenced from December 2024. | 1 month AWPLR based plus margin |
| Moragaha Oya (Pvt) Ltd | Credit Facility | Pan Asia Bank Corporation | 115,000,000 | 113,802,000 | Repayable in 96 monthly installments commenced from March 2025. | 1 month AWPLR based plus margin |
| Upper Hulu Ganga (Pvt) Ltd | Credit Facility | Pan Asia Bank Corporation | 75,000,000 | 71,875,000 | Repayable in 96 monthly installments commenced from December 2024. | 1 month AWPLR based plus margin |
| Upper Hulu Ganga (Pvt) Ltd | Credit Facility | Pan Asia Bank Corporation | 175,000,000 | 173,196,393 | Repayable in 96 monthly installments commenced from March 2025. | 1 month AWPLR based plus margin |
| J.B Power (Pvt) Ltd | Project financing loan facility | DFCC Bank PLC | 172,000,000 | 148,787,330 | Repayable in 115 monthly installments commencing from January 2024. | 1 month AWPLR based plus margin |
| Sierra Power (Pvt) Ltd | Project Financing Loan Facility | DFCC Bank PLC | 525,000,000 | 460,246,779 | Repayable in 107 equal monthly installments after a grace period of 12 months from January 2023 | 1 month AWPLR based plus margin |
| | Credit Facility | DFCC Bank PLC | 140,818,679 | 126,036,426 | Repayable in 141 monthly installments commencing from May 2024. | Fixed rate |
| | Credit Facility | DFCC Bank PLC | 83,273,465 | 55,101,479 | Repayable in 121 equal monthly installments commencing from January 2024. | Fixed rate |

| Company | Facility | Lenders | Principal amount | Amount outstanding | Repayments terms* | Interest rate |
|---|---|---|---|---|---|---|
| | | | Rs. | Rs. | | |
| Resus Solar (Pvt) Ltd | Project Financing Loan Facility | DFCC Bank PLC | 486,500,000 | 400,699,221 | Repayable in 132 monthly installments commencing from January 2024. | Fixed rate |
| | Project Financing Loan Facility | DFCC Bank PLC | 317,800,000 | 189,710,774 | Repayable in 132 monthly installments commencing from January 2024. | Fixed rate |
| | Credit Facility | DFCC Bank PLC | 39,425,598 | 35,575,402 | Repayable in 130 monthly installments commencing from January 2024. | Fixed rate |
| | Credit Facility | DFCC Bank PLC | 26,132,417 | 11,594,660 | Repayable in 24 monthly installments commencing from January 2024. | Fixed rate |
| | Credit Facility | DFCC Bank PLC | 20,000,000 | 17,868,350 | Repayable in 120 monthly installments commencing from January 2024. | Fixed rate |
| | Credit Facility | DFCC Bank PLC | 65,690,134 | 49,818,142 | Repayable in 36 monthly installments commencing from January 2024. | Fixed rate |
| | Project Financing Loan Facility | Commercial Bank PLC | 124,500,000 | 112,237,450 | Repayable in 108 monthly installments commencing from January 2024. | Fixed rate |
| | Credit Facility | Commercial Bank PLC | 39,253,103 | 16,138,101 | Repayable in 30 monthly installments commencing from April 2024. | 1 Month AWPLR based plus margin |
| | | | | 2,391,593,912 | | |

**As of reporting date the classification of balances within current and non current liabilities as taken into consideration compliance of related covenants.*

## 12.7 Securities offered for loan facilities

a) Primary mortgage over immovable and movable project assets including project approvals.

b) Primary mortgage bond over entirety of shares issued supported by a power of attorney.

c) Corporate guarantee issued by Resus Energy PLC

# NOTES TO THE FINANCIAL STATEMENTS

## 13 RETIREMENT BENEFIT OBLIGATIONS - GRATUITY

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| At the beginning of the year | 37,783,649 | 28,426,277 | 36,193,650 | 27,703,802 |
| Charge for the year (Note 13.1) | 7,845,347 | 7,474,313 | 7,228,032 | 6,736,963 |
| Actuarial (gain)/loss on obligation (Note 13.2) | 2,974,862 | 2,362,312 | 2,856,787 | 2,232,137 |
| Benefits paid during the year | (3,385,820) | (479,252) | (3,385,820) | (479,252) |
| At the end of the year | 45,218,038 | 37,783,649 | 42,892,649 | 36,193,650 |

### 13.1 The total amount charged to statement of profit or loss

| | | | | |
|---|---|---|---|---|
| Current service cost | 3,272,200 | 2,645,168 | 2,884,799 | 2,069,170 |
| Interest cost on benefit obligation | 4,573,146 | 4,829,145 | 4,343,233 | 4,667,794 |
| | 7,845,347 | 7,474,313 | 7,228,032 | 6,736,963 |

### 13.2 Actuarial (Gain)/Loss

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| **Actuarial (Gains)/Losses on Obligations;** | | | | |
| Due to Change in Demographic Assumptions | 114,659 | 229,771 | 164,192 | 273,907 |
| Due to Change in Financial Assumptions | 2,601,276 | 3,611,431 | 2,358,992 | 3,371,480 |
| Experience Adjustment | 258,926 | (1,478,890) | 333,603 | (1,413,251) |
| | 2,974,862 | 2,362,312 | 2,856,787 | 2,232,137 |

13.3 Acturial & Management Consultants (Pvt) Ltd, carried out an actuarial valuation of the defined benefit plan - gratuity on 31st March 2025. Appropriate and compatible assumptions were used in determining the cost of retirement benefits. The principal assumptions used are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| Method of Actuarial Valuation: | Projected unit credit method | Projected unit credit method | Projected unit credit method | Projected unit credit method |
| **Financial assumptions** | | | | |
| Discount rate | 10% - 12% | 13.0% | 10% | 13.0% |
| Salary increment Rate | 10% | 10% | 10% | 10% |
| Staff turnover ratio | 2% - 22% p.a. for all service groups | 2% - 15% p.a. for all service groups | 6% - 22% p.a. for all service groups | 12% p.a. for all service groups |
| **Demographic assumptions** | | | | |
| Mortality rate during employment | A 1967/70 Mortality Table | A 1967/70 Mortality Table | A 1967/70 Mortality Table | A 1967/70 Mortality Table |
| Retirement age | 60 years | 60 years | 60 years | 60 years |
| Expected future working life (No of Years) | 4.3 - 16.3 | 4.6 - 17.6 | 4.90 | 7.6 |

### 13.4 Sensitivity of Assumptions Employed in Actuarial Valuation

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

| Group | 2025 | | 2024 | |
|---|---|---|---|---|
| | Increase 1% | Decrease 1% | Increase 1% | Decrease 1% |
| Discount rate (Rs.) | (1,220,679) | 1,282,767 | (1,498,156) | 1,596,158 |
| Salary increment rate (Rs.) | 1,520,772 | (1,456,250) | 1,819,954 | (1,709,008) |
| **Company** | | | | |
| Discount rate (Rs.) | (1,202,225) | 1,276,319 | (1,358,262) | 1,458,651 |
| Salary increment rate (Rs.) | 1,513,814 | (1,449,782) | 1,674,504 | (1,582,885) |

### 13.5 Maturity Profile

Maturity profile of the defined benefit obligation as at 31st March 2025 is as follows.

| | Defined Benefit Obligation | | | |
|---|---|---|---|---|
| | Group | | Company | |
| | 2025 | 2024 | 2025 | 2024 |
| Future Working Life Time | Rs. | Rs. | Rs. | Rs. |
| Within next 12 months | 2,869,940 | 2,124,159 | 2,803,358 | 2,075,868 |
| Between 2-5 years | 33,058,858 | 26,683,403 | 32,609,009 | 26,257,627 |
| Beyond 5 years | 9,289,240 | 8,976,087 | 7,480,282 | 7,860,155 |
| Total | 45,218,038 | 37,783,649 | 42,892,649 | 36,193,650 |

## 14 DEFERRED TAX

| 14.1 Movement | Group | | | |
|---|---|---|---|---|
| | Deferred tax asset | | Deferred tax liability | |
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Balance at beginning of the year | 637,666,147 | 424,821,526 | (213,273,959) | (159,240,206) |
| (Charge)/release arising during the year recognised in the statement of profit or loss | (42,043,285) | 212,848,524 | (48,530,657) | (54,746,350) |
| Deferred tax effect on acturial (gain)/loss recognised in the OCI | (7,820) | (3,903) | 900,279 | 712,597 |
| Balance at end of the year | 595,615,042 | 637,666,147 | (260,904,338) | (213,273,959) |

Deferred tax has been computed using the current tax rate of 30% (2024-30%) for the Company and Group.

# NOTES TO THE FINANCIAL STATEMENTS

| | Company | | | |
|---|---|---|---|---|
| | Deferred tax asset | | Deferred tax liability | |
| **Movement** | **2025** | 2024 | **2025** | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Balance at beginning of the year | - | - | (84,382,755) | (62,441,542) |
| (Charge)/release arising during the year recognised in the statement of profit or loss | - | - | (12,338,187) | (22,610,853) |
| Deferred tax effect on acturial (gain)/loss recognised in the OCI | - | - | 857,036 | 669,641 |
| Balance at end of the year | - | - | (95,863,906) | (84,382,755) |

## 14.2 The closing deferred tax assets and (liability) balances relate to the following

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | Statement of financial position | | Statement of profit or loss | | Other comprehensive income | |
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Accelerated depreciation for tax purposes | (532,559,888) | (412,964,636) | (119,595,252) | (152,148,287) | - | - |
| Retirement benefits obligations | 13,512,650 | 11,298,977 | 1,321,215 | 2,062,400 | 892,459 | 708,694 |
| Unutilised tax losses | 853,757,943 | 826,057,848 | 27,700,095 | 308,188,061 | - | - |
| Deferred tax (charge)/ release | - | - | (90,573,942) | 158,102,175 | 892,459 | 708,694 |
| Net deferred tax assets/ (liabilities) | (334,710,704) | 424,392,189 | - | - | - | - |

| | Company | | | | | |
|---|---|---|---|---|---|---|
| | Statement of financial position | | Statement of profit or loss | | Other comprehensive income | |
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** | **Rs.** |
| Accelerated depreciation for tax purposes | (108,731,700) | (95,240,849) | (13,490,851) | (17,199,239) | - | - |
| Retirement benefits obligations | 12,867,795 | 10,858,095 | 1,152,664 | 1,877,314 | 857,036 | 669,641 |
| Unutilised tax losses | - | - | - | (7,288,928) | - | - |
| Deferred tax (charge)/ release | - | - | (12,338,187) | (22,610,853) | 857,036 | 669,641 |
| Net deferred tax assets/ (liabilities) | (95,863,905) | (84,382,754) | - | - | - | - |

### 14.3 The Recoverability of Deductible temporary differences

The recoverability of the deferred tax assets arising from unutilized carry forward tax losses is based on the extent to which it is probable that taxable profits will be available from actions both taken as of the date of release of these financial statements and that the board of directors/management have committed to take in future. Due to the sensitivity of these strategic business actions, further details have not been disclosed.

## 15 TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Trade and other payables | 162,486,187 | 66,134,362 | - | - |
| Group balance payable (note 15.1) | - | - | 491,109,284 | 407,783,138 |
| Sundry creditors including accrued expenses | 27,785,650 | 43,294,058 | 24,389,094 | 37,580,989 |
| | 190,271,837 | 109,428,419 | 515,498,378 | 445,364,127 |

### 15.1 Group balance payable

| | | Company | |
|---|---|---|---|
| | Relationship | 2025 | 2024 |
| Company name | | Rs. | Rs. |
| J.B Power (Pvt) Ltd | Subsidiary | 75,425,453 | 72,088,685 |
| Upper Huluganga (Pvt) Ltd | Subsidiary | 41,442,813 | 3,627,706 |
| Sierra Power (Pvt) Ltd | Subsidiary | 151,196,506 | 125,244,996 |
| Moragaha Oya (Pvt) Ltd | Subsidiary | 153,839,696 | 142,824,797 |
| Gomale Oya Hydro Power (Pvt) Ltd | Subsidiary | 61,651,216 | 56,591,137 |
| Resus Engineering (Pvt) Ltd | Subsidiary | 7,553,600 | 7,405,817 |
| | | 491,109,284 | 407,783,138 |

### 15.1.1 Summary of related party balances movement elaborated in note is 28.2

## 16 REVENUE

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Supply of electricity - Hydro power | 693,402,225 | 753,543,700 | 287,687,492 | 343,205,757 |
| Supply of electricity - Solar power | 243,816,514 | 212,680,191 | 58,075,303 | 60,558,564 |
| Consultancy & Engineering Services | 132,705,254 | 616,500 | - | - |
| | 1,069,923,993 | 966,840,391 | 345,762,795 | 403,764,321 |

# NOTES TO THE FINANCIAL STATEMENTS

## 16.1 BILLING UNDER STANDARDIZED POWER PURCHASE AGREEMENT

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Billing under standardized power purchase agreement | 171,393,612 | 152,309,508 | 65,032,572 | 94,916,964 |
| | 171,393,612 | 152,309,508 | 65,032,572 | 94,916,964 |

The group/company have recorded the additional payments received from Ceylon Electricity Board (CEB) as "billing under the standardized power purchase Agreement" which were recorded and billed as per the provisions of the Standardized power purchase Agreement with CEB.

## 17 OTHER OPERATING INCOME/(EXPENSE)

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Realized gain on Foreign Exchange | - | 6,284,416 | - | - |
| Gain/(Loss) on Fixed Assets Disposal | (18,434) | - | (18,434) | - |
| Dividend Income | - | - | 86,200,388 | 108,430,465 |
| Sundry income | 21,350,820 | 8,364,977 | 5,146,320 | 6,076,673 |
| | 21,332,386 | 14,649,393 | 91,328,274 | 114,507,138 |

## 18 SUMMARISED MATERIAL FINANCIAL INFORMATION OF SUBSIDIARIES

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Revenue | Operating Profit | Revenue | Operating Profit |
| | Rs. | Rs. | Rs. | Rs. |
| Gomale Oya Hydro Power (Pvt) Ltd | 22,428,279 | 4,495,356 | 71,893,009 | 55,585,294 |
| Moragaha Oya (Pvt) Ltd | 103,479,518 | 75,940,339 | 130,327,388 | 110,127,949 |
| J.B Power (Pvt) Ltd | 66,672,251 | 50,423,590 | 53,633,949 | 34,664,343 |
| Upper Hulu Ganga (Pvt) Ltd | 138,330,845 | 114,453,026 | 94,143,971 | 74,124,097 |
| Sierra Power (Pvt) Ltd | 165,345,620 | 148,252,475 | 117,732,168 | 88,840,821 |
| Resus Solar (Pvt) Ltd | 201,560,469 | 143,577,996 | 152,121,628 | 111,286,937 |
| Resus Engineering (Pvt) Ltd | 132,705,254 | 589,238 | 848,790 | 395,437 |

## 19 IMPAIRMENT CHARGE

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Impairment of goodwil | - | - | - | - |
| | - | - | - | - |

Based on the assessment of potential impairment carried out internally by the board of directors as at 31 March 2025, no provision was required to be made in the financial statement.

## 20 NET FINANCE COST

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | 2025 | 2024 | 2025 | 2024 |
| 20.1 | **Finance cost** | Rs. | Rs. | Rs. | Rs. |
| | Interest on overdrafts | 34,328,366 | 63,386,871 | 24,884,267 | 44,657,149 |
| | Term loan interest | 273,167,644 | 380,835,168 | 69,283,276 | 91,965,890 |
| | Commercial paper interest | 1,589,918 | - | 1,589,918 | - |
| | Debenture interest | 71,207,834 | 94,598,606 | 71,207,834 | 94,598,606 |
| | Other Finance cost | 11,791,470 | 5,200,688 | 7,985,227 | 3,286,620 |
| | Finance cost - RoU Assets | 2,954,652 | 3,399,806 | 57,416 | 435,185 |
| | | 395,039,883 | 547,421,139 | 175,007,938 | 234,943,450 |
| 20.2 | **Finance income** | | | | |
| | Interest income on staff loans | 62,163 | 24,046 | 51,455 | 23,046 |
| | Income from Unit trust investments | 3,861,682 | 10,825,706 | 3,861,682 | 10,825,706 |
| | Interest income-others | 750,565 | 984,180 | 740,624 | 977,593 |
| | | 4,674,410 | 11,833,932 | 4,653,761 | 11,826,345 |
| | Net finance cost | 390,365,473 | 535,587,207 | 170,354,177 | 223,117,105 |

## 21 PROFIT/(LOSS) BEFORE TAX

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Stated after charging all expenses including the following : | | | | |
| Depreciation (Note 4) | 123,962,626 | 115,186,138 | 38,145,091 | 38,468,614 |
| Amortization - Right of use assets (Note 05) | 6,159,624 | 4,013,425 | 5,071,901 | 2,601,967 |
| Directors' fees and emoluments | | | | |
| - Short-term employment benefits (Note 28.1) | 43,378,271 | 46,085,983 | 43,378,271 | 46,085,983 |
| - Post-employment benefits | 9,364,107 | 8,714,797 | 9,364,107 | 8,714,797 |
| Donations | 845,862 | 475,740 | 506,584 | 338,490 |
| Auditors' remuneration; | | | | |
| - Auditors' fee | 2,930,000 | 2,752,560 | 1,650,000 | 1,509,900 |
| - Non-audit services | 694,810 | 515,013 | 694,810 | 515,013 |
| Staff costs; | | | | |
| - Defined contribution plan costs - EPF and ETF | 14,276,630 | 13,313,153 | 12,232,526 | 11,252,317 |
| - Defined benefit plan costs - Gratuity (Note 13.1) | 7,845,347 | 7,474,313 | 7,228,032 | 6,736,963 |
| - Other staff costs | 114,057,884 | 94,189,504 | 88,719,406 | 75,641,694 |

# NOTES TO THE FINANCIAL STATEMENTS

## 22 TAX EXPENSES / (REVERSALS)

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Current tax expense (Note 22.1) | 44,698,553 | 25,341,607 | 11,029,777 | 18,175,517 |
| Under/(Over) provision of current taxes in respect of prior year | 4,114,410 | 4,671,119 | 4,021,525 | - |
| Tax on dividend paid by subsidiaries | 15,211,833 | 19,134,788 | - | - |
| Deferred tax charge/(release) (Note 14.2) | 90,573,942 | (158,102,174) | 12,338,187 | 22,610,853 |
| Total tax expense included in statement of profit or loss | 154,598,738 | (108,954,661) | 27,389,489 | 40,786,370 |

### 22.1 Reconciliation of accounting profit to current tax expense

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Profit/(Loss) before taxation | 369,569,293 | 264,927,844 | 135,360,935 | 210,803,532 |
| Consolidated adjustments | 86,200,388 | 120,207,209 | - | - |
| Adjusted Profit/(Loss) before taxation | 455,769,681 | 385,135,053 | 135,360,935 | 210,803,532 |
| Profit/Income not subject to Income tax | (86,200,388) | (108,430,465) | (86,200,388) | (108,430,465) |
| Other sources of income | (4,674,410) | (11,833,932) | (4,653,761) | (11,826,345) |
| Aggregate allowable expenses | (509,277,363) | (1,962,962,462) | (65,274,326) | (66,517,543) |
| Aggregate disallowed items | 144,492,204 | 131,676,696 | 52,879,701 | 49,640,472 |
| Tax losses claimed during the year | (62,164,707) | (65,798,977) | - | (24,910,940) |
| Tax losses carried Forward | 223,496,704 | 1,752,626,106 | - | - |
| Taxable profit/(loss) from business | 161,441,720 | 120,412,019 | 32,112,162 | 48,758,710 |
| | | | | |
| Components of Taxable profit/(loss) from business: | | | | |
| Taxable profits from business | 161,441,720 | 120,412,019 | 32,112,162 | 48,758,710 |
| Investment Income | 4,674,410 | 11,833,932 | 4,653,761 | 11,826,345 |
| | 166,116,130 | 132,245,951 | 36,765,923 | 60,585,055 |
| | | | | |
| Income tax @ 20% - (2024 - 10%) | 8,659,760 | 7,166,090 | - | - |
| Income tax expense @ 30% - (2024-30%) | 36,038,793 | 18,175,517 | 11,029,777 | 18,175,517 |

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Tax losses brought forward | 2,742,060,911 | 2,092,443,520 | - | 23,478,066 |
| Prior year adjustments | 510,424 | (1,037,209,738) | - | 1,432,874 |
| Tax losses Incurred during the year | 223,496,704 | 1,752,626,106 | - | - |
| Tax losses utilised during the year | (62,164,707) | (65,798,977) | - | (24,910,940) |
| Tax losses expired during the year | (70,477,206) | - | - | - |
| Tax losses carried forward | 2,833,426,126 | 2,742,060,911 | - | - |

As per the Inland revenue Act No. 24 of 2017 and subsequent amendments thereto tax losses can be deducted in full and the remaining losses relating to the enhanced capital allowaces, can be carried forwad up to ten years and the other tax losses up to six years. Tax losses carried forward can be utilized on availability of future taxable profit.

Moragaha Oya (Pvt) Ltd enjoys a concessionary tax rate under the provisions of the Inland Revenue Act, based on the nature of its business activities. Accordingly, the taxable income of the company is subject to a reduced rate of 20% ( 2024 -10%), instead of the standard rate of 30%.

## 23 EARNINGS / (LOSS) PER SHARE

### 23.1 Basic earnings/(loss) per share

Basic Earnings/(Loss) Per Share is calculated by dividing the net profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Profit/(Loss) attributable to equity holders of the parent (Rs.) | 214,970,555 | 373,882,505 | 107,971,446 | 170,017,162 |
| Weighted average number of ordinary shares in issue (Note 23.1.1) | 86,184,827 | 86,184,827 | 86,184,827 | 86,184,827 |
| Earnings/(Loss) per share | 2.49 | 4.34 | 1.25 | 1.97 |

### 23.1.1 Weighted average number of ordinary shares in issue

| | Group | | Company | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Number of shares in issue as at 01st April | 86,184,827 | 86,184,827 | 86,184,827 | 86,184,827 |
| New shares issued during the year | - | - | - | - |
| Weighted average number of ordnary shares as at 31 March | 86,184,827 | 86,184,827 | 86,184,827 | 86,184,827 |

### 23.2 Diluted earnings/(loss) per share

There were no potentially dilutive ordinary shares outstanding at any time during the year ended 31 March 2025. Therefore Diluted earings per share is same as Basic earnings per share.

## 24 DIVIDEND PAID

| | 2025 | 2024 |
|---|---|---|
| | Rs. | Rs. |
| **Interim dividend paid** | | |
| Rs. 1.00 cash dividend per share declared and paid in December, 2024 | 86,184,827 | - |
| Rs. 1.25 cash dividend per share declared and paid in January 2024 | - | 107,731,034 |
| Total dividends | 86,184,827 | 107,731,034 |

# NOTES TO THE FINANCIAL STATEMENTS

## 25 FAIR VALUE

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques.

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

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

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

As at 31st March 2025, the Group held the following financial liabilities carried at fair value on the statement of financial position:

| Group | 31.03.2025 | | | | |
|---|---|---|---|---|---|
| | Carrying Amount | Fair Value | Level 1 | Level 2 | Level 3 |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Financial Liabilities** | | | | | |
| Financial Liabilities at amortised cost using effective interest method : | | | | | |
| Interest Bearing Loans and Borrowings | | | | | |
| - Non-current portion of long-term borrowings | 2,371,878,942 | 2,102,049,472 | - | 2,102,049,472 | - |
| - Current portion of long-term borrowings | 1,013,871,728 | 1,013,871,728 | - | 1,013,871,728 | - |
| | 3,385,750,670 | 3,115,921,199 | - | 3,115,921,199 | - |

| Group | 31.03.2024 | | | | |
|---|---|---|---|---|---|
| | Carrying Amount | Fair Value | Level 1 | Level 2 | Level 3 |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **Financial Liabilities** | | | | | |
| Financial Liabilities at amortised cost using effective interest method : | | | | | |
| Interest Bearing Loans and Borrowings | | | | | |
| - Non-current portion of long-term borrowings | 2,252,856,849 | 2,103,857,620 | - | 2,103,857,620 | - |
| - Current portion of long-term borrowings | 955,314,681 | 955,314,681 | - | 955,314,681 | - |
| | 3,208,171,530 | 3,059,172,301 | - | 3,059,172,301 | - |

| Company | 31.03.2025 | | | | |
|---|---|---|---|---|---|
| Financial Liabilities | Carrying Amount | Fair Value | Level 1 | Level 2 | Level 3 |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Financial Liabilities at amortised cost using effective interest method : | | | | | |
| Interest Bearing Loans and Borrowings | | | | | |
| - Non-current portion of long-term borrowings | 576,278,380 | 575,905,416 | - | 575,905,416 | - |
| - Current portion of long-term borrowings | 674,204,613 | 674,204,613 | - | 674,204,613 | - |
| | 1,250,482,993 | 1,250,110,029 | - | 1,250,110,029 | - |

| Company | 31.03.2024 | | | | |
|---|---|---|---|---|---|
| Financial Liabilities | Carrying Amount | Fair Value | Level 1 | Level 2 | Level 3 |
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| Financial Liabilities at amortised cost using effective interest method : | | | | | |
| Interest Bearing Loans and Borrowings | | | | | |
| - Non-current portion of long-term borrowings | 633,220,480 | 632,597,210 | - | 632,597,210 | - |
| - Current portion of long-term borrowings | 318,911,013 | 318,911,013 | - | 318,911,013 | - |
| | 952,131,493 | 951,508,223 | - | 951,508,223 | - |

The following methods and assumptions were used to estimate the fair values:

Cash & cash equivalent, trade receivables, trade payable and other financial payables fair value approximate the related carrying amounts due to the short term maturities of these instruments.

The fair value of fixed rate financial liabilities carried at amortized cost (fixed rate loans and borrowings) has been estimated based on the disounted cashflow approach. This approach employs the current market rates of similar financial instruments as a significant unobservable input in measuring the fair value.

During the reporting period ended 31st March 2025, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

## 26 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, on 01st July 2025, the Company successfully issued a Green Bond amounting to Rs. 1 billion. The bond was issued to invest in upcoming solar projects and to re-finance the existing bank loans of the company. This event is classified as a non-adjusting event under LKAS 10 – Events after the Reporting Period, as it relates to conditions that arose after the end of the reporting period and therefore does not affect the amounts recognized in the financial statements for the year ended 31st March 2025.

# NOTES TO THE FINANCIAL STATEMENTS

## 27 COMMITMENTS AND CONTINGENCIES

### 27.1 Capital expenditure commitments

Group as at 31st March 2025

The Group's commitments for acquisition/construction of property, plant and equipment incidental to the ordinary course of business are as follows:

| | | | Capital expenditure commitment as at | |
|---|---|---|---|---|
| | Capital expenditure budget | Incurred as at reporting date | 31st March 2025 | 31st March 2024 |
| | Rs millions | Rs millions | Rs millions | Rs millions |
| Construction of Resus Solar (Pvt) Ltd - Damana Solar Plant | 300 | 245 | 55 | 731 |

The Group intends to incur the above capital commitments in the ensuing financial year ending 31st March 2026.

**Company**

The Company has no commitment to acquire property, plant and equipment as at 31st March 2025.

### 27.2 Contingencies

The Department of Inland Revenue has raised income tax assessments by disputing the venture capital status of Resus Energy PLC and the treatment of interest income in the tax returns for the years of assessment 2008/2009 to 2014/2015. However, for the years of assessment 2008/2009 and 2009/2010, the Tax Appeal Commission resolved that assessments are without legal effect as the assessor has failed to give valid notice of assessment to the Appellant (Resus Energy PLC) as required by Section 164 of the Inland Revenue Act.

The aggregate value of the assessed income tax for the years of assessment 2010/2011 to 2014/15 amounts to Rs. 43.5Mn for which no provision has been made in these financial statements. The Company has filed appeals against the assessments to The Tax Appeal Commission.

Meanwhile, The Tax Appeal Commission issued its determination related to year of assessments 2010/11 to 2013/14 ruling against the Company. The Company has been appealed to the Court of Appeal against these determinations.

### 27.3 Litigations

There were no material litigations against the Group as at reporting date which require adjustments to or disclosure in the financial statements.

## 28 RELATED PARTY DISCLOSURES

### 28.1 Transaction with key management personnel

According to Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', Key Management Personnel (KMP) are those having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors of the Company (Executive and Non-Executive Directors) have been classified as KMPs. As the Company is the ultimate parent of the subsidiaries, the Board of Directors of the Company has the authority and responsibility for planning or controlling the activities of the Group directly or indirectly. Accordingly, the Board of Directors of the Company (Executive and Non-Executive) are KMPs of the Group.

a. Key management personnel (KMP) compensation

| | Group/Company | |
|---|---|---|
| | 2025 | 2024 |
| | Rs. | Rs. |
| Short-term employment benefits | 43,378,271 | 46,085,983 |
| Post-employment benefits | 9,364,107 | 8,714,797 |
| | 52,742,378 | 54,800,780 |

The Group also has an obligation towards a post-employment benefit plan for the Executive Directors. The liability arising from the post-employment obligation has been provided for, based on an actuarial valuation and is disclosed under Employee Benefits Obligations in note 13 to the Financial Statements.

The Executive Directors are entitled to a structured incentive scheme which is linked to performance. In addition to their salaries, the Company provides non-cash benefits to KMPs.

There are no share-based payments made to the Directors during the year. No loans were granted to KMPs of the Company.

b. Transactions with close family members of KMPs

Close family members of a key management personnel are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

There were no transactions with the close family members of KMPs during the year.

c. Transactions with Companies on which Key Management Personnel (KMP) have Control

There were no transactions with companies on which KMPs have control over. The transactions with companies in which KMPs have significant influence are disclosed in 'Directors' Interest in Contract' on page 139.

d. Terms and Conditions of Transactions with the Companies on which KMPs have Control

Outstanding balances at the year-end relating to the companies on which KMPs have control or significant influence over are set out in note 9.3 and 15.1 to the financial statements. These balances are unsecured and settlements are on demand. There have been no guarantees provided or received for any related party receivables or payables for the year ended 31st March 2025.

e. Transactions with group entities

The Company has carried out transactions with Group entities in the ordinary course of business. The details are set out in note 28.2 to the financial statements.

No other significant transactions had been taken place during the year with the parties/entities in which key management personnel or their close family members were involved.

# NOTES TO THE FINANCIAL STATEMENTS

## 28.2 Transactions with subsidiary companies

The Company carried out the following transactions during the year, in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard - LKAS 24 on 'Related Party Disclosures', the details of which are reported below:

| Nature of transaction | Terms and conditions | Recurrent/ Non-recurrent | Company 2025 | Company 2024 |
|---|---|---|---|---|
| | | | Rs. | Rs. |
| Net Fund transferred / (Received) | Settlement of related party current accounts | Recurrent | (256,194,078) | (505,293,326) |
| Dividend income - Ordinary Shares | | Recurrent | 86,200,388 | 108,430,465 |
| Reimbursement of Expenses / Capital expenditures | Payable on Demand | Recurrent | 519,481,125 | 321,241,561 |
| Purchasing of Shares | Settlement of related party current accounts | Non-recurrent | (446,500,000) | (495,000,000) |
| Share transfers | Streamline operations | Non-recurrent | 1,000 | - |
| Net Agregate value of Related Party Transactions | | | (97,011,565) | (570,621,300) |

**28.3** The Parent Company has provided assurance to its subsidiaries, namely Resus Eastern Solar (Pvt )Limited , Rawanakanda Hydro Power (Pvt)Limited and Resus Solar Electric (Private) Limited which are currently pending the commencement of commercial operations. These subsidiaries currently have limited fixed commitments.

## 29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has trade and other receivables, and cash and cash equivalents that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. Senior management is supported by the Board of Directors (BOD), which advises on financial risks and the appropriate financial risk governance framework for the Group. The BOD provides assurance to senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures, and that financial risks are identified, measured, and managed in accordance with Group policies and the Group's risk appetite. It is the Group's policy that all derivative activities undertaken for risk management purposes must be approved by the Board of Directors of the parent company, Resus Energy PLC.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

### 1. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. The Group's market risk primarily comprises interest rate risk, and other price risk, such as equity price risk. The Group's exposure to commodity price risk is considered insignificant. Financial instruments affected by market risk include loans and borrowings.

The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance, while optimising returns to shareholders

Financial risk management is conducted by the Finance Division of the Group in accordance with risk management policies approved by the Board of Directors. These policies establish the principles and procedures related to risk tolerance, delegated authority levels, internal controls, and the management and reporting of exposures to interest rate, and counterparty credit risks.

### 1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Group's exposure to changes in market interest rates primarily relates to its long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings.

| | Group | | | |
|---|---|---|---|---|
| As at 31st March | 2025 | | 2024 | |
| | Rs. | % | Rs. | % |
| Long-term Loans at fixed interest rates | 1,397,070,348 | 41% | 1,192,636,239 | 37% |
| Long-term Loans at variable interest rates | 1,988,680,322 | 59% | 2,015,535,291 | 63% |
| Total | 3,385,750,670 | 100% | 3,208,171,530 | 100% |

| | Company | | | |
|---|---|---|---|---|
| As at 31st March | 2025 | | 2024 | |
| | Rs. | % | Rs. | % |
| Long-term Loans at fixed interest rates | 398,428,444 | 32% | 37,831,520 | 4% |
| Long-term Loans at variable interest rates | 852,054,549 | 68% | 914,299,973 | 96% |
| Total | 1,250,482,993 | 100% | 952,131,493 | 100% |

Changes in market interest rate (Average Weighted Prime Lending Rate - AWPLR) will have following sensitivity on Group's finance cost.

| Increase/(decrease) in AWPLR, ceteris paribus - effect on profit before tax | | | | |
|---|---|---|---|---|
| | Effect on profit before tax - 2025 | | Effect on profit before tax - 2024 | |
| | Group | Company | Group | Company |
| change in basis points: | Rs. | Rs. | Rs. | Rs. |
| +600 / -600 | 119,320,819 | 51,123,273 | 120,932,117 | 54,857,998 |
| +500 / -500 | 99,434,016 | 42,602,727 | 100,776,765 | 45,714,999 |
| +400 / -400 | 79,547,213 | 34,082,182 | 80,621,412 | 36,571,999 |
| +300 / -300 | 59,660,410 | 25,561,636 | 60,466,059 | 27,428,999 |
| +200 / -200 | 39,773,606 | 17,041,091 | 40,310,706 | 18,285,999 |
| +100 / -100 | 19,886,803 | 8,520,545 | 20,155,353 | 9,143,000 |

## 2. Credit risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or customer contract, resulting in a financial loss. The Group is exposed to credit risk arising from its operating activities (primarily trade receivables) and its financing activities, including deposits with banks and receivables from subsidiaries. The credit risk related to trade receivables primarily depends on the financial health of the Ceylon Electricity Board, which is the sole customer of the Group.

Management has evaluated the recoverability of intercompany balances and has determined that no impairment provision is required.

# NOTES TO THE FINANCIAL STATEMENTS

| | Group | | Company | |
|---|---|---|---|---|
| As at 31st March | 2025 | 2024 | 2025 | 2024 |
| | Rs. | Rs. | Rs. | Rs. |
| Trade and other receivables | 455,252,090 | 518,461,951 | 229,837,468 | 287,644,196 |
| Amounts due from related parties | - | - | 4,249,108 | 17,934,528 |
| Cash and cash equivalents | 63,632,174 | 26,214,357 | 51,941,244 | 23,966,215 |
| Total credit risk exposure | 518,884,264 | 544,676,308 | 286,027,820 | 329,544,939 |

### 2.1 Cash deposit instruments

Investment of surplus funds is made only with approved counterparties by the Board of Directors of Resus Energy PLC. Counter-party exposures are reviewed by the Board of Directors on an annual basis, and updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial losses from potential counterparty's failure.

### 2.2 Trade receivables

Customer credit risk is managed by the Group within Group's established policy, procedures and control relating to customer credit risk management. Outstanding receivables from Ceylon Electricity Board are regularly monitored.

### 3. Liquidity risk

This is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, and other financial liabilities. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded that it is low. Access to funding sources is considered sufficient, and debt maturing within 12 months can be either settled or rolled over with existing lenders.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

| As at 31st March 2025 - Group | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Interest-bearing loans and borrowings | - | 375,530,236 | 636,461,863 | 1,775,732,429 | 598,026,142 | 3,385,750,670 |
| Trade and other payables | - | - | 190,271,837 | - | - | 190,271,837 |
| Income tax liabilities | - | - | 32,073,737 | - | - | 32,073,737 |
| Bank overdrafts | 211,648,070 | - | - | - | - | 211,648,070 |
| | 211,648,070 | 375,530,236 | 858,807,437 | 1,775,732,429 | 598,026,142 | 3,819,744,314 |

| As at 31st March 2025 - Company | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Interest-bearing loans and borrowings | - | 258,915,130 | 415,289,483 | 573,336,713 | 2,941,667 | 1,250,482,993 |
| Trade and other payables | - | - | 515,498,378 | - | - | 515,498,378 |
| Income tax liabilities | - | - | 5,481,573 | - | - | 5,481,573 |
| Bank overdrafts | 149,804,686 | - | - | - | - | 149,804,686 |
| | 149,804,686 | 258,915,130 | 936,269,434 | 573,336,713 | 2,941,667 | 1,921,267,630 |

| As at 31st March 2024 - Group | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Interest-bearing loans and borrowings | - | 240,931,737 | 714,382,944 | 1,502,088,143 | 750,768,706 | 3,208,171,530 |
| Trade and other payables | - | - | 109,428,419 | - | - | 109,428,419 |
| Income tax liabilities | - | - | 29,510,017 | - | - | 29,510,017 |
| Bank Overdrafts | 248,491,455 | - | - | - | - | 248,491,455 |
| | 248,491,455 | 240,931,737 | 853,321,380 | 1,502,088,143 | 750,768,706 | 3,595,601,421 |

| As at 31st March 2024 - Company | On demand | Less than 3 months | 3 to 12 months | 1 to 5 years | > 5 years | Total |
|---|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Interest-bearing loans and borrowings | - | 60,900,703 | 258,010,310 | 633,220,477 | - | 952,131,490 |
| Trade and other payable | - | - | 445,364,127 | - | - | 445,364,127 |
| Income tax liabilities | - | - | 18,175,517 | - | - | 18,175,517 |
| Bank overdrafts | 183,812,486 | - | - | - | - | 183,812,486 |
| | 183,812,486 | 60,900,703 | 721,549,954 | 633,220,477 | - | 1,599,483,620 |

## Capital management

The primary objective of the Group'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 Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders, or issue new shares. No changes were made to the objectives, policies, or processes for managing capital during the years ended 31st March 2025 and 31st March 2024. The Group monitors capital using a gearing ratio, which is calculated as debt divided by total capital employed. The Group's policy is to maintain an optimal capital structure at an appropriate gearing level, in order to maximise the benefits of debt tax shields to the equity holders of the Group, while cautiously managing the level of financial distress associated with debt.

# NOTES TO THE FINANCIAL STATEMENTS

A summary of Group's capital structure is depicted below.

| As at 31st March | 2025 | 2024 |
|---|---|---|
| | Rs. | Rs. |
| Interest bearing borrowings and financial liabilities | 3,597,398,740 | 3,456,662,985 |
| Equity | 2,472,341,950 | 2,345,638,625 |
| Total equity and borrowings | 6,069,740,690 | 5,802,301,610 |
| Gearing ratio | 59.3% | 59.6% |

## 30 SEGMENT REPORTING

An operating segment is a component within the Company that engages in business activities from which it may earn distinguishable revenue and incur expenses.

Accordingly, The Group identified Hydro Power, Solar Power and Engineering Consultation as business segments and the information below is based on these primary segments.

### Hydro Power

The Group operates eight fully-owned operational hydropower plants with an aggregate capacity of 14.9 MW. The aggregate operational results of hydropower segment are presented under this segment.

### Solar Power

The Group operates three owned operational Solar power plants with a total capacity of 14 MW in the areas of Siyambalanduwa, Mahiyanganaya and Ampara. The operational results of these solar power plants are presented under this segment.

### Engineering & Consultation

Resus Engineering (Pvt) Ltd, a fully owned subsidiary of Resus Energy PLC, provides construction and engineering services for hydro and solar power plant projects. During the year under review, the company entered into an agreement with Kosmadura Tea Estate (Pvt) Ltd and has been providing services related to the construction of a 2MW hydropower plant in Deniyaya.

# OPERATING SEGMENT INFORMATION

| Profit/(loss) for the period | Hydro Power | | Solar Power | | Engineering & Consultation | | Eliminations/ Adjustments | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Revenue | 829,031,095 | 905,486,806 | 279,580,870 | 213,046,593 | 132,705,639 | 848,790 | - | - | 1,241,317,604 | 1,119,382,189 |
| Operating Profit | 554,788,889 | 643,714,576 | 204,556,639 | 156,800,475 | 589,238 | 395,437 | - | (395,437) | 759,934,766 | 800,515,051 |
| Depreciation & Amortization | (76,992,709) | (76,494,812) | (46,956,317) | (38,691,326) | (13,599) | - | - | - | (123,962,626) | (115,186,138) |
| Finance Income | 4,674,286 | 11,833,500 | 124 | 431 | - | - | - | - | 4,674,410 | 11,833,931 |
| Finance Cost | (284,940,734) | (431,922,302) | (110,099,149) | (115,498,837) | - | - | - | - | (395,039,883) | (547,421,139) |
| Profit before tax | 274,522,442 | 223,625,774 | 94,457,614 | 41,302,069 | 589,238 | 395,437 | - | (395,437) | 369,569,293 | 264,927,843 |
| Income Tax Expense / (Reversal) | (137,827,544) | (93,141,371) | (16,594,423) | 202,096,032 | (176,771) | - | - | - | (154,598,738) | 108,954,661 |
| Profit/(Loss) for the year | 136,694,898 | 130,484,403 | 77,863,191 | 243,398,101 | 412,466 | 395,437 | - | (395,437) | 214,970,555 | 373,882,504 |

| Assets & Liabilities | Hydro Power | | Solar Power | | Engineering & Consultation | | Eliminations/ Adjustments | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Total Current Assets | 1,089,680,390 | 936,075,511 | 127,501,955 | 190,580,048 | 67,616,676 | 10,086,889 | (692,254,577) | (491,278,110) | 592,544,445 | 645,464,337 |
| Total Non Current Assets | 3,204,289,806 | 3,306,175,417 | 2,833,352,571 | 2,276,960,984 | 149,601 | - | (6,430,019) | (6,445,067) | 6,031,361,960 | 5,576,691,334 |
| **Total Assets** | 4,293,970,196 | 4,242,250,928 | 2,960,854,526 | 2,467,541,032 | 67,766,277 | 10,086,889 | (698,684,596) | (497,723,177) | 6,623,906,404 | 6,222,155,671 |
| Total Current Liabilities | 1,664,710,414 | 1,560,440,674 | 419,972,712 | 278,061,607 | 60,882,420 | 506,672 | (694,009,904) | (491,278,110) | 1,451,555,642 | 1,347,730,843 |
| Total Non Current Liabilities | 1,873,882,628 | 1,564,922,676 | 827,587,460 | 963,863,527 | - | - | (1,461,275) | - | 2,700,008,813 | 2,528,786,203 |
| **Total Liabilities** | 3,538,593,042 | 3,125,363,350 | 1,247,560,173 | 1,241,925,134 | 60,882,420 | 506,672 | (695,471,179) | (491,278,110) | 4,151,564,456 | 3,876,517,046 |

# FIVE YEAR SUMMARY

| For the Year Ended 31st March | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **A) Summary of operations** | | | | | |
| Revenue | 1,241,317,605 | 1,119,149,899 | 995,785,462 | 837,908,620 | 666,252,089 |
| Gross profit | 858,651,276 | 879,716,883 | 805,065,439 | 689,066,643 | 540,052,929 |
| Profit from operating activities | 759,934,766 | 800,515,051 | 762,212,048 | 623,753,557 | 470,005,882 |
| Profit/(Loss) before taxation | 369,569,293 | 264,927,844 | 190,657,086 | 444,181,634 | 305,819,360 |
| Tax (expense)/Reversal | (154,598,738) | 108,954,661 | 222,611,659 | 29,073,774 | 24,518,899 |
| Profit/(Loss) after tax from continuing operations | 214,970,555 | 373,882,505 | 413,268,745 | 473,255,408 | 330,338,259 |
| Profit/(Loss) after tax from discontinued operation | - | - | - | - | - |
| Profit/(Loss) after tax | 214,970,555 | 373,882,505 | 413,268,745 | 473,255,408 | 330,338,259 |
| Profit attributable to equity holders of the parent | 214,970,555 | 373,882,505 | 413,268,745 | 473,255,408 | 330,338,259 |
| Profit attributable to non-controlling interest | - | - | - | - | - |
| | 214,970,555 | 373,882,505 | 413,268,745 | 473,255,408 | 330,338,259 |
| **B) Summary of financial position** | | | | | |
| **Capital and Reserves** | | | | | |
| Stated capital | 967,483,260 | 967,483,260 | 967,483,260 | 773,891,366 | 773,891,366 |
| Other components of equity | 6,949,461 | 6,949,461 | 6,949,462 | 6,949,461 | 6,949,461 |
| Retained Earnings | 1,497,909,229 | 1,371,205,904 | 1,106,708,051 | 928,104,580 | 453,430,493 |
| Equity attributable to equity holders of the parent | 2,472,341,950 | 2,345,638,625 | 2,081,140,773 | 1,708,945,407 | 1,234,271,320 |
| Non-controlling interest | - | - | - | - | - |
| **Total equity** | 2,472,341,950 | 2,345,638,625 | 2,081,140,773 | 1,708,945,407 | 1,234,271,320 |
| **Liabilities** | | | | | |
| Non-current liabilities | 2,700,008,813 | 2,528,786,203 | 2,264,298,603 | 2,734,269,070 | 1,583,749,073 |
| Current liabilities | 1,451,555,642 | 1,347,730,843 | 1,922,465,466 | 910,131,750 | 1,063,070,940 |
| Total liabilities | 4,151,564,455 | 3,876,517,046 | 4,186,764,069 | 3,644,400,820 | 2,646,820,013 |
| **Total Equity and Liabilities** | 6,623,906,405 | 6,222,155,672 | 6,267,904,842 | 5,353,346,227 | 3,881,091,333 |
| **Assets** | | | | | |
| Property, plant and equipment | 5,232,787,652 | 4,729,906,298 | 4,397,870,394 | 4,250,444,706 | 3,263,579,518 |
| Other non-current assets | 798,574,308 | 846,785,037 | 637,953,841 | 312,353,588 | 258,812,780 |
| Current assets | 592,544,445 | 645,464,337 | 1,232,080,607 | 790,547,933 | 358,699,035 |
| **Total Assets** | 6,623,906,405 | 6,222,155,672 | 6,267,904,842 | 5,353,346,227 | 3,881,091,333 |

| For the Year Ended 31st March | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| | Rs. | Rs. | Rs. | Rs. | Rs. |
| **C) Key Indicators** | | | | | |
| **Earnings/(Loss) per share** | | | | | |
| From profit/(loss) for the Year | 2.49 | 4.34 | 4.80 | 5.99 | 4.18 |
| From continuing operations | 2.49 | 4.34 | 4.80 | 5.99 | 4.18 |
| Net profit/(loss) margin | 17.3% | 33.4% | 41.5% | 56.5% | 49.6% |
| Net assets per share | 28.69 | 27.22 | 24.15 | 21.62 | 15.62 |
| Dividend per Share | 1.00 | 1.25 | 3.00 | - | 2.00 |
| Dividend payout | 40.1% | 28.8% | 62.6% | 0.0% | 47.9% |
| Dividend cover | 2.49 | 3.47 | 1.60 | - | 2.09 |
| Interest cover | 1.95 | 1.49 | 1.33 | 3.47 | 2.86 |
| Current ratio | 0.37 | 0.48 | 0.64 | 0.90 | 0.30 |
| Gearing | 59.3% | 59.6% | 65.1% | 65.7% | 66.5% |
| Return on equity | 8.9% | 16.9% | 21.8% | 32.2% | 30.1% |

# INVESTOR INFORMATION

| | Twenty Major Shareholders | 2025 No. of Shares | % | 2024 No. of Shares |
|---|---|---|---|---|
| 1 | Trydan Partners (Pvt) Ltd | 28,042,146 | 32.54 | 28,042,146 |
| 2 | ACL Cables PLC | 28,033,101 | 32.53 | 28,033,101 |
| 3 | Winsland Reality (Pvt) Ltd | 3,818,242 | 4.43 | |
| 4 | Employees Trust Fund | 2,984,658 | 3.46 | 3,291,274 |
| 5 | Kalin Holdings (Pvt) Ltd | 2,314,394 | 2.69 | |
| 6 | Deutsche Bank AG - National Equity Fund | 1,149,360 | 1.33 | |
| 7 | Asia Securities (Pvt) Ltd (Trading Account) | 1,000,000 | 1.16 | |
| 8 | P. Ramesh Periyasami | 999,998 | 1.16 | |
| 9 | DFCC Bank / MR. P. PRANAVAN | 500,000 | 0.58 | 325,000 |
| 10 | D N P Ratnayake | 500,000 | 0.58 | |
| 11 | Mr. S Vasudevan Subramaniam | 500,000 | 0.58 | 1,356,204 |
| 12 | K.C Vignarajah | 454,880 | 0.53 | 516,375 |
| 13 | Miss. S. Durga Sithampalam | 403,705 | 0.47 | 403,705 |
| 14 | ACE Power Generation Matara (Pvt) Ltd | 304,260 | 0.35 | 304,260 |
| 15 | Tangerine Tours (Pvt) Ltd | 283,540 | 0.33 | 283,540 |
| 16 | People's Leasing & Finance PLC / M E Amarasinghe | 275,226 | 0.32 | |
| 17 | Harnam Holdings SDN BHD | 257,782 | 0.30 | |
| 18 | Sandwave Limited | 255,000 | 0.30 | |
| 19 | MBSL Insurance Company Limited | 254,971 | 0.30 | 254,971 |
| 20 | W A A P Wickramasinghe | 243,431 | 0.28 | |
| | | 72,574,694 | 84.21 | |
| | Shares held by the balance shareholders | 13,610,133 | 15.79 | |
| | Total Issued Shares | 86,184,827 | 100.00 | |

Analysis of shareholders according to the number of shares as at 31st March 2025

| Shareholdings | Resident | | | Non Resident | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | No. of Shareholders | No. of Shares | Percentage (%) | No. of Shareholders | No. of Shares | Percentage (%) | No. of Shareholders | No. of Shares | Percentage (%) |
| 1 to 1,000 shares | 1,854 | 653,411 | 0.76 | 5 | 1,956 | 0.00 | 1,859 | 655,367 | 0.76 |
| 1001 to 10,000 shares | 888 | 2,760,947 | 3.20 | 4 | 10,950 | 0.01 | 892 | 2,771,897 | 3.22 |
| 10,001 to 100,000 shares | 207 | 6,131,543 | 7.11 | 7 | 215,280 | 0.25 | 214 | 6,346,823 | 7.36 |
| 100,001 to 1,000,000 shares | 36 | 9,556,057 | 11.09 | 2 | 512,782 | 0.59 | 38 | 10,068,839 | 11.68 |
| over 1,000,000 shares | 7 | 66,341,901 | 76.98 | - | - | - | 7 | 66,341,901 | 76.98 |
| | 2,992 | 85,443,859 | 99.14 | 18 | 740,968 | 0.86 | 3,010 | 86,184,827 | 100.00 |

| Categories of Shareholders | No of Shareholders | No of Shares |
|---|---|---|
| Individual | 2,877 | 13,652,486 |
| Institutional | 133 | 72,532,341 |
| | 3,010 | 86,184,827 |

| Computation of % of Public Shareholding | | |
|---|---|---|
| As at 31st March | 2025 | 2024 |
| | No. of Shares | No. of Shares |
| Over 10% Holding | | |
| Trydan Partners (Pvt) Ltd | 28,042,146 | 28,042,146 |
| ACL Cables PLC | 28,033,101 | 28,033,101 |
| | 56,075,247 | 56,075,247 |
| | | |
| Directors' Direct Shareholding | | |
| H A S Madanayake (Non-Executive Chairman) | - | - |
| G A K Nanayakkara (Managing Director) | 165,319 | 165,319 |
| Prof. N D Gunawardena (Independent Non-Executive Director) | - | - |
| Prof. K M A K Ranasinghe (Resigned) | 147 | 147 |
| U P Egalahewa (Non-Independent Non-Executive Director) | - | - |
| K P P M Amarasiri (Non-Executive Director) | - | - |
| D.C.Abeywardena (Independent Non-Executive Director) | 41,881 | 41,881 |
| | 207,347 | 207,347 |
| | | |
| Directors' Indirect Shareholding | | |
| H A S Madanayake (Non-Executive Chairman) | - | - |
| G A K Nanayakkara (Managing Director) | 8,702 | 8,702 |
| Prof. N D Gunawardena (Independent Non-Executive Director) | - | - |
| Prof. K A M K Ranasinghe (Resigned) | - | - |
| U P Egalahewa (Non-Independent Non-Executive Director) | - | - |
| K P P M Amarasiri (Non-Executive Director) | - | - |
| D.C.Abeywardena (Independent Non-Executive Director) | - | - |
| | 8,702 | 8,702 |
| | | |
| Issued Ordinary Shares as at 31st March | 86,184,827 | 86,184,827 |
| Less | | |
| Over 10% Shareholding | 56,075,247 | 56,075,247 |
| Directors' direct and indirect Shareholding | 216,049 | 216,049 |
| Public Holding | 29,893,531 | 29,893,531 |
| Public Holding as a % of Issued Share Capital | 34.69% | 34.69% |

# INVESTOR INFORMATION

Share Trading Information

| | 2025 | 2024 |
|---|---|---|
| Market Price | | |
| Highest (Rs.) | 32.50 | 18.70 |
| Lowest (Rs.) | 17.50 | 11.40 |
| As at Year ended (Rs.) | 26.50 | 17.60 |
| No. of Trades | 10,906 | 5,902 |
| No. of Shares Traded | 48,841,045 | 15,269,303 |
| Value of Shares Traded (Rs.) | 1,255,799,954 | 239,189,583 |
| Market Capitalisation (Rs.) | 2,283,897,916 | 1,516,852,955 |
| Price Earnings Ratio (Times) | 10.62 | 4.06 |
| | | |
| Percentage of Public Holding as at 31st March | 34.69% | 34.69% |
| Total Number of shareholders representing the public holding | 3,002 | 2,924 |
| Float-adjusted market capitalisation | 792,178,572 | 526,196,290 |

The Company complies with option 5 of the Listing Rules 7.13.1 (a) - Less than Rs. 2.5 Bn Float Adjusted Market Capitalisation which requires 20% minimum Public Holding.

# GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' – CORE

| | |
|---|---|
| Staement of Use | Resus Energy PLC - Reporting Period 01 April 2024 to 31 March 2025 |
| GRI 1 Used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard(s) | Renewable Power Generation |

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission Requirement(s) omitted | Reason | Explanation |
|---|---|---|---|---|---|
| **General disclosures** | | | | | |
| GRI 2:General Disclosures 2021 | 2-1 Organizational details | Inner back cover | | | |
| | 2-2 Entities included in the organization's sustainability reporting | 8 | | | |
| | 2-3 Reporting period, frequency and contact point | 4 | | | |
| | 2-4 Restatements of information | 4 | | | |
| | 2-5 External assurance | 140-141 | | | |
| | 2-6 Activities, value chain and other business relationships | 9 | | | |
| | 2-7 Employees | 64-65 | | | |
| | 2-8 Workers who are not employees | 66 | | | |
| | 2-9 Governance structure and composition | 89-90, 92 | | | |
| | 2-10 Nomination and selection of the highest governance body | 90 | | | |
| | 2-11 Chair of the highest governance body | 91 | | | |
| | 2-12 Role of the highest governance body in overseeing the management of impact | 92, 126 | | | |
| | 2-13 Delegation of responsibility for managing impacts | 92, 126 | | | |
| | 2-14 Role of the highest governance body in sustainability reporting | 88 | | | |
| | 2-15 Conflicts of interest | 93 | | | |
| | 2-16 Communication of critical concerns | 93 | | | |
| | 2-17 Collective knowledge of the highest governance body | 90 | | | |
| | 2-18 Evaluation of the performance of the highest governance body | 93 | | | |
| | 2-19 Remuneration policies | 93 | | | |
| | 2-20 Process to determine remuneration | 93 | | | |

# GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' – CORE

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission Requirement(s) omitted | Reason | Explanation |
|---|---|---|---|---|---|
| | 2-21 Annual total compensation ratio | | 2-21 | Confidential information | Does not disclose due to the confidentiality of information. |
| | 2-22 Statement of sustainable development strategy | 46, 88 | | | |
| | 2-23 Policy commitments | 89, 117 | | | |
| | 2-24 Embedding policy commitments | 89, 117 | | | |
| | 2-25 Process to remediate negative impacts | 126 | | | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 89 | | | |
| | 2-27 Compliance with laws and regulations | 87 | | | |
| | 2-28 Membership associations | Inner back cover | | | |
| | 2-29 Approach to stakeholder engagement | 42-44 | | | |
| | 2-30 collective bargaining agreements | | 2-30 | Not Applicable | Group does not have any collective bargaining agreements |
| GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 45 | | | |
| | 3-2 List of material topics | 45 | | | |
| | 3-3 Managemet of material topics | 45 | | | |
| **Economic Performance** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 45 | | | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | 9, 41, 52 | | | |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 74, 82 | | | |
| | 201-3 Defined benefit plan obligations and other retirement plans | 164-165, 184 | | | |
| | 201-4 Financial assistance received from government | 58 | | | |
| **Indirect Economic Impacts** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 61 | | | |

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) omitted | Reason | Explanation |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and service supported | 61 | | | |
| | 203-2 Significant indirect economic impacts | 61 | | | |
| **Procurement Practices** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 59 | | | |
| GRI 204: Procurement Practices 2016 | 204-1 Proportion of spending on local suppliers | 60 | | | |
| **Anti-corruption** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 63 | | | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 63 | | | |
| | 205-2 Communication and training about anti-corruption policies and procedures | 63 | | | |
| | 205-3 Confirmed incidents of corruption and actions taken | 63 | | | |
| **Anti-competitive behavior** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 59 | | | |
| GRI 206: Anticompetitive Behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 59, 63 | | | |
| **Tax** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 59 | | | |
| GRI 207: Tax 2019 | 207-1 Approach to tax | 59 | | | |
| | 207-2 Tax governance, control, and risk management | 59 | | | |
| | 207-3 Stakeholder engagement and management of concerns related to tax | 59 | | | |
| | 207-4 Country-by-country reporting | | 207-4 | Not Applicable | Not Applicable for Entity's operations. |

# GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' – CORE

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) omitted | Reason | Explanation |
| **Materials** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 77 | | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | 77 | | | |
| | 301-2 Recycled input materials used | | 301.-2 | Not Applicable | Not Applicable for Entity's operations. |
| | 301-3 Reclaimed products and their packaging materials | | 301-3 | Not Applicable | Not Applicable for Entity's operations. |
| **Energy** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 77 | | | |
| GRI 301: Energy 2016 | 302-1 Energy consumption within the organization | 77 | | | |
| | 302-2 Energy consumption outside of the organization | 79-80 | | | |
| | 302-3 Energy intensity | 77-80 | | | |
| | 302-4 Reduction of energy consumption | 77 | | | |
| | 302-5 Reductions in energy requirements of products and services | 77 | | | |
| **Water and Effluents** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 76 | | | |
| GRI 303: Water and Effluents 2018 | 303-1 Water withdrawal by source | 76 | | | |
| | 303-2 Water sources significantly affected by withdrawal of water | 76 | | | |
| | 303-3 Water recycled and reused | 76 | | | |
| **Biodiversity** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 80 | | | |
| GRI 304: Biodiversity 2016 | 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 80-81 | | | |

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) omitted | Reason | Explanation |
| | 304-2 Significant impacts of activities, products and services on biodiversity | 80-81 | | | |
| | 304-3 Habitats protected or restored | 80-81 | | | |
| | 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | 80-81 | | | |
| **Emissions** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 79-80 | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 79-80 | | | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 79-80 | | | |
| | 305-3 Other indirect (Scope 3) GHG emissions | 79-80 | | | |
| | 305-5 Reduction of GHG emissions | 79-80 | | | |
| | 305-6 Emissions of ozone-depleting substances (ODS) | 79-80 | | | |
| | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | 79-80 | | | |
| **Effluents & Waste** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 78 | | | |
| GRI 306: Waste 2020 | 306-1 Water discharge by quality and destination | 76 | | | |
| | 306-2 Waste by type and disposal method | 78 | | | |
| **Environmental Compliance** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 81 | | | |
| GRI 307: Environmental Compliance 2016 | 307-1 Non-Compliance with environmental laws and regulations | 81 | | | |
| **Supplier Environmental Assessment** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 59 | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 60 | | | |

# GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' – CORE

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) omitted | Reason | Explanation |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 60, 63 | | | |
| **Employment** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 65 | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 65 | | | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees | 66, 67 | | | |
| | 401-3 Parental leave | 67 | | | |
| **Occupational Health and Safety** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 68 | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-2 Types of injury and rates of injury, occupational diseases, lost days, and obsenteeism, and number of work related fatalities | 70 | | | |
| **Training and Education** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 66 | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 66 | | | |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 67 | | | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 66 | | | |
| **Diversity and Equal Opportunity** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 64 | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 64 | | | |

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) omitted | Reason | Explanation |
| **Non-discrimination** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 71 | | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 71 | | | |
| **Freedom of Association and Collective Bargaining** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 59 | | | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | | 407-1 | Not Applicable | Not Applicable for Entity's operations. |
| **Child Labor** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 63 | | | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 60, 63 | | | |
| **Forced or Compulsory Labor** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 60 | | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 60, 63 | | | |
| **Local Communities** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 61 | | | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 61 | | | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | 61, 63 | | | |
| **Supplier Social Assessment** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 56 | | | |

# GLOBAL REPORTING INITIATIVE (GRI) INDEX 'IN ACCORDANCE' – CORE

| GRI Standard / Other Source | Disclosure | Location (Page reference) | Omission | | |
|---|---|---|---|---|---|
| | | | Requirement(s) omitted | Reason | Explanation |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 60 | | | |
| | 414-2 Negative social impacts in the supply chain and actions taken | 60 | | | |
| **Customer Health and Safety** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 58 | | | |
| GRI 416: Customer Health and Safety 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 63 | | | |
| **Customer Privacy** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 58 | | | |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 63 | | | |
| **Socioeconomic Compliance** | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Managemet of material topics | 58 | | | |
| GRI 419: Socioeconomic Compliance 2016 | 419-1 Non-compliance with laws and regulations in the social and economic area | 63 | | | |

# NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Twenty Second Annual General Meeting of RESUS Energy PLC will be held on Monday the 25th of August 2025 at 04.00 p.m. at Development Holdings Private Limited, 40, Nawam Mawatha, Colombo 2 for the following purposes: -

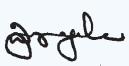
## AGENDA

1. To receive and consider Reports of the Directors, the Statements of Accounts of the Company and the Group for the year ended 31st March 2025, together with the report of the Auditors thereon.
2. To re-elect Mr. U.P. Egalahewa, Director, retiring by rotation in terms of Article 24(6) of the Articles of Association of the Company.
3. To re-elect Mr. G.A.K. Nanayakkara, Director, retiring by rotation in terms of Article 24(6) of the Articles of Association of the Company.
4. To re-elect Ms. D.C. Abeywardena, Director, retiring by rotation in terms of Article 24(6) of the Articles of Association of the Company.
5. To elect Prof. N.D. Gunawardena, who was appointed since the last Annual General Meeting, in terms of Article No.24(2) of the Articles of Association.
6. To elect Mr. K.P.P.M. Amarasiri, who was appointed since the last Annual General Meeting, in terms of Article No.24(2) of the Articles of Association.
7. To re-appoint Messrs Ernst & Young, Chartered Accountants as Auditors of the Company for the ensuing year and to authorize the Directors to determine their remuneration.
8. To authorize the Directors to determine and make donations to Charity.
9. Any other business.

To pass the following resolution as a Special Resolution, to adopt a new Articles of Association:

"Resolved that the Articles of Association of the Company be amended by deleting the existing Articles in its entirety and that the Articles of Association contained in the printed document submitted to this meeting which, for purpose of identification, have been signed, page by page, by the Chairman of this meeting, be and the same are hereby approved and adopted as the Articles of Association of the Company, in substitution for, and to the exclusion of the existing Articles of Association of the Company."

By order of the Board of
**RESUS Energy PLC**



**Nexia Corporate Consultants (Pvt) Ltd**
Secretaries
Colombo, Sri Lanka

31st July 2025.

**Note:**

A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote in his/her place.

A Proxy need not be a Member of the Company.

A Form of Proxy accompanies this Notice

The instrument appointing a proxy must be deposited at the Registered Office, No. 250/1, Torrington Avenue, Colombo 7, not less than forty-eight hours before the time fixed for the meeting. The form of proxy could be emailed to manohara@resusenergy.lk.

# Notes

# Notes

# Notes

# FORM OF PROXY

I/We .....

of .....

being a Member/s of RESUS ENERGY PLC do hereby appoint .....

.....of ..... .....

.....or failing him/her

| | |
|---|---|
| Mr. H A S Madanayake | or failing him |
| Mr. G A K Nanayakkara | or failing him |
| Mr. U P Egalahewa PC | or failing him |
| Ms. D.C. Abeywardena | or failing him |
| Professor N.D. Gunawardena | or failing him |
| Mr. K.P.P.M. Amarasiri | |

as my/our Proxy to vote and speak for *me/us on *my/our behalf at the Twenty Second Annual General Meeting of RESUS Energy PLC to be held at 04.00 p.m. on 25th August 2025 at Development Holdings Private Limited, 40, Nawam Mawatha, Colombo 2.

| | | For | Against |
|---|---|---|---|
| 1. | To receive and consider Reports of the Directors, the Statements of Accounts of the Company and the Group for the year ended 31st March 2025, together with the Reports of the Auditors thereon. | | |
| 2. | To re-elect Mr. U.P. Egalahewa, Director, retiring by rotation in terms of Article 24(6) of the Articles of Association of the Company. | | |
| 3. | To re-elect Mr. G.A.K. Nanayakkara, Director, retiring by rotation in terms of Article 24(6) of the Articles of Association of the Company. | | |
| 4. | To re-elect Ms. D.C. Abeywardena Director, retiring by rotation in terms of Article 24(6) of the Articles of Association of the Company. | | |
| 5. | To elect Prof. N.D. Gunawardena, who was appointed since the last Annual General Meeting, in terms of Article No.24(2) of the Articles of Association. | | |
| 6. | To elect Mr. K.P.P.M. Amarasiri, who was appointed since the last Annual General Meeting, in terms of Article No.24(2) of the Articles of Association. | | |
| 7. | To re-appoint Messrs Ernst & Young, Chartered Accountants, as Auditors of the Company and authorize the Directors to determine their remuneration. | | |
| 8. | To authorize the Directors to determine and make donations to Charity. | | |
| 9. | Special Resolution to amend the Articles of Association. | | |

.....

Signature of the shareholder/s

.....

NIC/Passport No.

Dated this ..... day of ..... 2025.

Note:

1. Please delete the inappropriate words.
2. Instructions as to completion are noted on the reverse hereof.

# FORM OF PROXY

## INSTRUCTIONS FOR COMPLETION

1. Kindly perfect the Form of Proxy after filling in legibly your name in full, address and by signing in the space provided. Please fill in the date of signature.

2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of him/her.

3. Please indicate with a 'X' in the spaces provided how your proxy is to vote on each resolution. If no indication is given the proxy in his/her discretion will vote as he/she thinks fit.

4. In the case of Corporate Members, the Form of Proxy must be completed under the Common Seal, which should be affixed and attested in the manner prescribed by its Articles of Association.

5. If the Form of Proxy is signed by an Attorney, the relevant Power of Attorney should also accompany the completed Form of Proxy.

6. The completed Form of Proxy should be addressed to the Secretaries and deposited at the Registered Office of the Company at No. 250/1, Torrington Avenue, Colombo 7 not less than Forty Eight (48) hours before the time appointed for the meeting. The form of proxy could be emailed to manohara@resusenergy.lk

# CORPORATE INFORMATION

**NAME OF THE COMPANY**
Resus Energy PLC

**LEGAL FORM**
Quoted Public Company with limited liability, the ordinary shares of the Company were listed on the Colombo Stock Exchange on 8th October 2009

**DATE OF INCORPORATION**
11 June 2003

**DATE OF RE-REGISTRATION UNDER THE COMPANIES ACT NO 7 OF 2007**
11 September 2007

**COMPANY REGISTRATION NUMBER**
PV 415 PB PQ

**ACCOUNTING YEAR END**
31 March

**REGISTERED OFFICE**
No, 250/1, Torrington Avenue, Colombo 7, Sri Lanka,

Telephone: +94-11-7731731.
Facsimile: +94-11-7731555

**TAXPAYER IDENTIFICATION NUMBER (TIN)**
114340405

**DIRECTORS**
Mr. H A S Madanayake
Non-Executive Chairman

Mr. G A K Nanayakkara
Managing Director

Ms. D C Abeywardena
Independent Non-Executive Director

Professor N D Gunawardena
Independent Non-Executive Director

Mr. U P Egalahewa PC
Non-Executive Director

Mr. K P P M Amarasiri
Non-Executive Director

**AUDIT AND RISK COMMITTEE**
Ms. D C Abeywardena
Chairperson

Professor N D Gunawardena
Mr. U P Egalahewa PC

**REMUNERATION COMMITTEE**
Ms. D C Abeywardena
Chairperson

Mr. U P Egalahewa PC
Professor N D Gunawardena
Mr. H A S Madanayake

**RELATED PARTY TRANSACTIONS REVIEW COMMITTEE**
Prof N D Gunawardena
Chairman

Mr. U P Egalahewa PC
Mr. G A K Nanayakkara
Ms. D.C. Abeywardena

**NOMINATIONS AND GOVERNANCE COMMITTEE**
Ms. D C Abeywardena
Chairperson

Mr. U P Egalahewa PC
Mr. H A S Madanayake
Professor N D Gunawardena

**COMPANY SECRETARIES**
Nexia Corporate Consultants (Pvt) Limited
No, 181, Nawala Poad, Narahenpita,
Colombo 5, Sri Lanka,

Tel: +94-11-2368154
Fax: +94-11-2368621

**COMPANY REGISTRARS**
S S P Corporate Services (Pvt) Limited No, 101, Inner Flower Poad, Colombo 3, Sri Lanka,
Tel: +94-11-2573894

**AUDITORS**
Ernst & Young Chartered Accountants
No, 09, Rotunda Towers,
Galle Road, Colombo 03.

**BANKERS**
Commercial Bank of Ceylon PLC
DFCC Bank PLC
Hatton National Bank PLC
Pan Asia Banking Corporation
Seylan Bank PLC
Nations Trust Bank PLC
Sampath Bank PLC
National Development Bank PLC

**MEMBERSHIPS OF ASSOCIATES**
GRI 2-28
Small Hydro Power Developers' Association
Federation of Renewable Energy Developers
Grid Connected Solar Power Association

**INVESTOR RELATIONS**
PESUS Energy PLC No, 250/1,
Torrington Avenue, Colombo 7,
Sri Lanka,

Telephone: +94-11-7731731.
Facsimile: +94-11-7731555

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