KHEN ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199706776D)

KHEN
Energy Limited

INTRODUCTORY LISTING OF SUBSIDIARY ON COLOMBO STOCK EXCHANGE

1. INTRODUCTION

The Board of Directors (the "**Directors**") of Khen Energy Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce that the Group's wholly owned subsidiary in Sri Lanka, Falcon Valley Hydro (Private) Limited, ("**FVHPL**") has received approval in-principle from the Colombo Stock Exchange ("**CSE**") on 1 November 2026 to list 16,000,000 ordinary shares on the Empower Board of the CSE ("**Introductory Listing**"), subject to the relevant terms and conditions stipulated by CSE.

2. INFORMATION ON THE INTRODUCTORY LISTING

The CSE is the principal securities exchange in Sri Lanka and operates under the regulatory oversight of the Securities and Exchange Commission of Sri Lanka. The Empower Board of the CSE is a regulated board subject to the CSE Listing Rules and continuing listing obligations, including periodic financial reporting and the timely disclosure of material information.

An Introductory Listing is a method of listing securities on the CSE whereby an entity is permitted to list its shares without conducting an initial public offering. At listing, the shares of FVHPL will not be traded because (i) no new shares will be issued, (ii) no new capital will be raised, (iii) the shares will be listed at the price of LKR 31.00 per share (as determined by FVHPL's appointed financial advisor & manager to the Introductory Listing in Sri Lanka, using a weighted combination of selected valuation methods, considering both FVHPLs intrinsic value and its valuation relative to comparable peers listed on the CSE ("**Reference Price**")) and (iv) there is currently no requirement for a minimum public holding pursuant to Section 2.1.3(i) of the CSE Listing Rules. Accordingly, FVHPL's share price is expected to remain at the Reference Price.

Whilst the Company will continue to hold 100% of FVHPL's ordinary shares upon the Introductory Listing, the CSE has informed FVHPL of a proposed change in the CSE Listing Rules where companies listed on the Empower Board are to have a minimum public holding of 5% of the total number of shares in the hands of a minimum 50 Public Shareholders ("**Public Holding**"). At the point when this Public Holding requirement is implemented, a transitional period (from the effective date of the new CSE Listing Rule) will be granted for FVHPL to comply with the Public Holding requirement. Whilst the Company has consulted with SGX Regco for the Introductory Listing, the Company will further consult SGX RegCo again due to the impending implementation of the Public Holding requirement and the applicability of the relevant Catalist Rules.

The listing is tentatively scheduled for 16 November 2026. Following the listing, FVHPL will be subject to the applicable continuing listing and disclosure requirements of the CSE. For avoidance of doubt, the Company will continue to remain listed on the Catalist of SGX-ST and will continue to comply with the Catalist Rules and its ongoing disclosure obligations thereunder. The Introductory Listing expenses and ongoing listing expenses arising from FVHPL's continued listing on the Empower Board is not expected to be material to the Group and will be funded by FVHPL's internal cash reserves.

3. INFORMATION ON THE GROUP AND FVHPL

The Group builds, owns and operates renewable energy power plants in Sri Lanka. As at the date of this announcement, the Group owns and operates 13 mini-hydro power plants ("**MHPP**") with an aggregate installed capacity of approximately 43 megawatts ("**MW**") and a ground-mounted solar power plant with an installed capacity of 5MW. In addition, the Group has secured 2 standalone grid-connected projects with a total capacity of 20MW / 40 Megawatt-hours ("**MWh**").

FVHPL is a wholly-owned subsidiary of the Group incorporated in Sri Lanka on 22 December 2003 with an issued and paid-up share capital of LKR 160,000,000. FVHPL owns and operates one MHPP with a run-of-river installed capacity of 2.4MW. The plant was commissioned on 22 November 2012 and has a 20-year Standardised Power Purchase Agreement ("**SPPA**") with the National System Operator (Pvt) Ltd (formerly the Ceylon Electricity Board) at a fixed tariff. This SPPA may be extended for a further 20 years upon the expiry of the initial term. FVPL will continue to operate this plant following the Introductory Listing.

4. RATIONALE FOR THE INTRODUCTORY LISTING

The Group is currently seeking to expand its portfolio of renewable energy projects in Sri Lanka. Generally, the first step in developing a renewable energy project is to identify and secure a suitable location to facilitate the project either by leasing or purchasing the land plot. Such location is carefully selected, taking into account factors such as rainfall levels, solar irradiance, terrain and proximity to the nearest grid connection point as these factors directly affect the development cost and potential returns of a project.

However, Section 2(1) of the Land (Restrictions on Alienation Act No. 38 of 2014 ("**LRAA**") in Sri Lanka, the LRAA prohibits the transfer of title of land in Sri Lanka to a foreign company, or to a company incorporated in Sri Lanka where foreign shareholding is 50% or more ("**LRAA Restriction**"). Therefore, the Group faces constraints in its efforts to develop new renewable energy projects in Sri Lanka.

Notwithstanding, Section 3 of the LRAA sets out certain exemptions to this restriction, *inter alia*, Section 3(i) which permits land ownership by a company listed on the CSE provided that the land is transferred on or after 1 April 2018. Accordingly, the Introductory Listing would enable FVHL to legally own freehold land in Sri Lanka for the Group's renewable energy projects in circumstances where the identified land cannot be leased but must be purchased. Barring any unforeseen circumstances, land ownership would allow the Group to (i) have a wider array of options when selecting the ideal location for the development of potential new renewable projects by being able to either purchase or lease the land, which will in turn enable the Group to qualify and potentially secure more renewable energy projects, and (ii) potentially, provide residual value after the project ends subject to prevailing market conditions and regulatory considerations at the relevant time.

5. TRADING CAUTION

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement regarding the future success of FVHPL. The Company will make the necessary announcements when there are further material developments. Accordingly, shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Zhan Aijuan (Ms)
Company Secretary
6th November 2026

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*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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