Mailung Khola Jal Vidhyut Company Ltd.

Kathmandu, Nepal

Unaudited Financial Reports for the First Quarter of Fiscal Year 2083/084 Ended on Ashwin 31, 2083 (October 17, 2026)

Unaudited Statement of Financial Position

Amount in Nepalese Rupees

Particulars	This Quarter Ending Ashwin End 2083	Previous Quarter Ending Ashadh End 2083	Corresponding Previous Quarter Ending Ashwin End 2082
Assets			
Non-Current Assets			
Property, Plant and Equipment	468,281	503,678	613,597
Intangible Assets	526,083,176	537,335,417	569,469,109
Intangible Assets Under Development	-	-	-
Investment Securities	47,426,311	55,734,665	76,991,607
Investment in Subsidiaries	-	-	-
Other Non-Current Assets	1,745,334	3,245,334	5,001,210
Total Non-Current Assets	**575,723,103**	**596,819,095**	**652,075,523**
Current Assets			
Inventories	-	-	-
Trade Receivables	128,815,501	134,716,588	139,449,692
Cash and Cash Equivalents	9,286,757	1,221,964	4,531,389
Other Financial Assets	1,011,697	3,788,278	999,197
Other Current Assets	5,356,153	4,714,586	5,178,261
Current Tax Assets	1,570,590	-	-
Total Current assets	**146,040,697**	**144,441,415**	**150,158,539**
Total Assets	**721,763,800**	**741,260,510**	**802,234,062**
Equity and Liabilities			
Equity			
Share Capital	376,319,800	376,319,800	376,319,800
Reserves	2,170,154	1,069,986	2,028,846
Retained Earnings	(18,086,440)	2,170,154	13,366,993
Total Equity	**360,403,514**	**379,559,940**	**391,715,639**
Non-Current Liabilities			
Borrowings	143,829,605	159,029,605	204,029,605
Other Non-Current Liabilities	54,131,207	59,297,488	61,127,824
Deferred Tax Liabilities	36,847,378	39,426,056	45,824,627
Total Non-Current Liabilities	**234,808,189**	**257,753,148**	**310,982,056**
Current Liabilities			
Short Term Borrowings	113,465,479	98,860,121	96,760,121
Other Current Liabilities	13,086,618	2,999,177	1,802,710
Current Tax Liabilities	-	2,088,123	973,536
Total Current Liabilities	**126,552,097**	**103,947,421**	**99,536,367**
Total Equity and Liabilities	**721,763,800**	**741,260,510**	**802,234,062**

Unaudited Statement of Profit or Loss Account & Other Comprehensive Income

Particulars	This Quarter Ending Ashwin End 2083	Previous Quarter Ending Ashadh End 2083	Corresponding Previous Quarter Ending Ashwin End 2082
Revenue From Sales of Electricity	5,629,774	97,118,705	32,187,821
Cost of Sales	2,661,427	12,774,066	2,861,929
Gross profit	**2,968,346**	**84,344,638**	**29,325,891**
Other Income	747,897	3,652,564	752,721
Personnel Expenses	942,371	4,546,446	943,659
Other Operating and Administrative Expenses	594,269	2,878,303	1,339,346
Depreciation & Amortisation	11,457,138	45,696,680	11,422,066
Operating profit	**(9,277,535)**	**34,275,774**	**16,373,542**
Finance Cost	4,149,216	18,782,067	5,284,646
Fair Value Gain/ (Loss) on Investment through FVTPL	(8,308,354)	(21,010,673)	246,269
Other Operating Income/ (Loss)	-	-	-
Profit Before Tax	**(21,735,104)**	**(5,516,965)**	**11,335,165**
Income Tax Expenses			
Current Tax	-	3,657,135	1,829,390
Deferred Tax income	2,578,678	(6,574,193)	(191,323)
Profit for the period	**(19,156,426)**	**(2,599,907)**	**9,697,099**
Other Comprehensive Income:			
Items that will not be Reclassified to Profit or Loss	-	-	-
Gains/ (losses) from Investments in Equity Instruments measured at Fair Value	-	-	-
Gains/ (losses) on Revaluation	-	-	-
Actuarial gains/ (losses) on Defined Benefit Plans	-	-	-
Income Tax relating to above Items	-	-	-
Other Comprehensive Gain/ (Loss) for the period, Net of Tax	-	-	-
Total Comprehensive Gain/ (Loss) for the period, Net of Tax	**(19,156,426)**	**(2,599,907)**	**9,697,099**

Note:

1. The Unaudited Financial figures are subject to change from external auditors and regulatory authorities.
2. The figures are regrouped and rearranged wherever necessary.

1st QUARTER DISCLOSURE AS OF 2083.06.31
AS PER SECURITIES REGISTRATION AND ISSUANCE REGULATION
ANNEXURE-14 (RELATED TO SUB REGULATION 1 OF REGULATION 26)

1. Financial Statement

- The unaudited financial statements for the first quarter of FY 2083/84 have been published along with this report. The shutdown of the powerhouse has deeply affected our cash flow for this quarter. Management is talking with banks about possible loan relief or repayment delays while we wait for insurance payouts. Based on our current reserves and expected insurance coverage, management believes the company can continue its operations normally.
- **Transaction with Related Parties:** Mailung Khola Jal Vidhyut Company Limited (MKJC) has investment of NPR. 25,923,100 in Mathillo Mailung Khola Jalvidhyut Limited having Fair value of NPR. 47,426,311.
- Major Financial Indicators are as follows:

Earnings Per Share (EPS) (Annualized) (NPR)	Net-worth Per Share (NPR)	Market Value Per Share (NPR)	PE Ratio (Annualized)	Total Assets Per Share (NPR)	Current Ratio
(20.36)	95.77	305.60	(15.01)	191.80	1.15

2. Management Analysis

- **Any change in the stock, income and liquidity during the quarter and reason for change, if any:** After the devastating floods in Bhotekoshi River on Bhadra 10, 2083, the powerhouse was completely destroyed, and electricity generation halted. Because the surveyors are still assessing the total damage and final claim amounts, we have not yet recorded any loss provisions or insurance claims in this quarter's financial statements. Up to First quarter, Mailung Khola Jal Vidhyut Company Limited (MKJC) (5MW) has generated the invoice of only NPR. 5,629,774 from sale of electricity which has been significantly decreased by NPR. 26,558,047 compared to corresponding year and gross operating profit decreased to NPR. 2,968,346 with the decrease of NPR. 26,357,545 up to this quarter as compared to the corresponding period of last year's figure. Loss assessment on the project site has been going on, therefore, no any provision for loss has been made during the quarter.
- **The statement of management analysis on the Upcoming business Plan:** To recover from the disaster, the company plans to work with engineering experts to design a stronger, more flood-resistant powerhouse that can better handle future extreme weather in the project area. At the same time, management will actively coordinate with insurance company to speed up claims and request early financial payouts to help cover immediate repair costs and manage cash flow.
- **The analytical statement on the possible effect on company's profitability, stock, and cash flow based on past experience:** While the company maintained steady financial progress in previous periods, the devastating floods on Bhadra 10, 2083, which completely wiped out the powerhouse and halted all electricity generation, have significantly impacted our profitability, revenue, and cash flow for this quarter. Other than this catastrophic natural disaster and its direct financial consequences, no other incidents occurred during the period that would negatively affect the company's reserves, profit, or cash flow.

3. Legal Proceedings

- Case filed by or against the Company during the quarter, if any: **None**
- Case filed by or against the Company or its Promoter or Director for violation of the prevailing regulation or committing the criminal offence, if any: **None**
- Case filed against the Promoter or Director on financial crime, if any: **None**

4. Analysis of Company's Share Transaction

The major highlights of Share transactions during the quarter are as follows:

Maximum price NPR.	500.00	**Total Transactions**	8,500
Minimum price NPR.	252.00	**No. of transaction Day**	61
Closing price NPR.	305.60	**Total traded volume**	1,688,670
Turnover NPR.	556,706,656.70		

5. Problems & Challenges

a. **Internal Challenges**

- Having no electricity generation since Bhadra 10, 2083, creates a big challenge for regular income and paying off loans.
- Retention and optimization of skilled human resource.
- Fund management.
- To maintain the operational efficiency.

b. **External Challenges**

- Inconsistent regulatory and policy level commitment from the government regulatory agencies in development of hydroelectric projects.
- Fluctuating cost of capital and devaluating local currency.
- Delay of statutory approvals.
- Loss due to natural disaster –flood, Earthquake, force measure issue, etc.
- Lack of domestic suppliers and venders for hydropower equipment and spare parts.
- Inadequate existing transmission line network and delay in expansion for power evacuation of hydropower projects.

c. **Strategies followed by the management:**

- Work with engineering experts to rebuild a stronger, more flood-resistant powerhouse.
- Speed up insurance claims and talk with insurance providers for advance payments.
- Improve early-warning weather and water-level monitoring systems.
- HR optimization plan will be implemented.
- Identification of different financial instruments along with risk assessment.
- Development of various internal policies and procedures.

6. Corporate Governance

The Board of Directors and Key Management Personnel are committed to upholding good corporate governance practice in the company governance, by implementing various manuals, policies, rules & guidelines for proper functioning of the operation of the company. Various committees and sub-committee are in the process of formation in compliance with companies act, 2063 and corporate Governance guideline, 2074 issued by Security Exchange Board of Nepal.

7. Reporting

This Quarter's report has been made on the basis of Nepal Financial Reporting Standard (NFRS) and necessary adjustments has been made where ever required as per the standard and retrospective effect of the same has also been shown in the figures of previous quarters.

8. Declaration

I the General Manager of this Company, take the responsibility of accuracy of the information and that the information and details provided in this report are true, based on facts, and complete to the best of my knowledge and that information necessary for taking informed decision by the investors are not concealed.