The Map of Trust

Alpha Fire Services PLC
Annual Report 2025/26

ALPHA FIRE
SERVICES PLC

Contents

The Map of Trust

Every day at Alpha Fire Services, we work to protect what matters most people, businesses, homes, and the spaces that support everyday life.

Over the years, trust has been at the heart of everything we do. It is built through every fire safety solution we deliver, every relationship we strengthen, and every responsibility we take on.

This year marked another important step in our journey. With our expansion into Kandy and the Maldives, we continued to extend our reach and bring reliable protection to more communities and businesses.

Supported by our skilled team, advanced facilities, internationally recognised certifications, and commitment to quality, we continue to grow stronger while staying focused on what matters most keeping people safe.

Each new location reflects progress.

Each partnership reflects confidence.

Together, they form a growing map built on trust.

Alpha Fire Services

Growing stronger. Reaching further.

ALPHA FIRE
SERVICES PLC

Our Approach to Reporting

Alpha Fire Services PLC presents its Annual Report for the financial year ended 31 March 2026, prepared in line with an integrated reporting approach that reflects both financial performance and the broader value created through its operations. The Report is designed to provide a balanced, clear, and forward-looking view of the Company's strategy, governance, operational outcomes and impact on stakeholders.

This Report has been developed with a focus on transparency, accountability and relevance, aligning with applicable regulatory requirements, corporate governance standards and recognised reporting frameworks. It reflects the Company's commitment to communicating not only financial results, but also how value is created and sustained over time through its business model, stakeholder relationships, and strategic priorities.

The content of the Report encompasses the Financial Statements, the Board of Directors' Report, Corporate Governance disclosures, and a comprehensive Management Discussion and Analysis (MD&A). Together, these sections provide insights into the Company's operating environment, performance across key business segments, risk management practices and future outlook. In addition, the Report outlines the Company's approach to environmental, social, and governance (ESG) considerations, which are being progressively integrated into its overall strategy and reporting framework.

The reporting period covers the financial year from 01 April 2025 to 31 March 2026. Comparative information relating to the previous financial year, from 01 April 2024 to 31 March 2025, is included where relevant to support clarity and meaningful analysis. The Report is published on an annual basis, ensuring consistent and timely communication with stakeholders.

Alpha Fire Services PLC adheres to a robust framework of regulatory and professional standards in preparing its disclosures. These include:

- Companies Act No. 7 of 2007
- Continuing Listing Requirements of the Colombo Stock Exchange
- Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995
- Sri Lanka Financial Reporting Standards (SLFRS)
- Code of Best Practice on Corporate Governance

Compliance with these frameworks ensures that the Report meets statutory obligations while supporting high standards of governance and disclosure.

Assurance

The Company maintains a structured and multi-layered approach to assurance to enhance the reliability and credibility of its reporting. Internal review mechanisms are carried out by Management to ensure the accuracy and completeness of information presented. Oversight is provided by the Board of Directors, which reviews the Report to ensure that it reflects a fair and balanced view of the Company's performance and position. The financial statements included in this Report have been independently audited by KPMG, whose opinion provides assurance on their accuracy and compliance with applicable accounting standards. This external validation strengthens stakeholder confidence in the integrity of the Company's financial reporting.

Responsibility of the Board

The Board of Directors assumes full responsibility for the integrity and completeness of this Annual Report. The Board ensures that the Report presents a true and fair view of the Company's financial performance, position, and prospects, and that all material matters relevant to stakeholders are adequately disclosed.

In line with best governance practices, the Board maintains strict control over the reporting process. Once the Report is approved and published, no amendments are made to its content, reinforcing the Company's commitment to accuracy, consistency, and transparency in its disclosures.

Continuous Improvement in Reporting

Alpha Fire Services PLC recognises that reporting practices must evolve in response to changing stakeholder expectations and regulatory developments. The Company remains committed to enhancing the quality and depth of its disclosures, including the progressive integration of ESG considerations and non-financial performance indicators into future reports.

Stakeholder Feedback

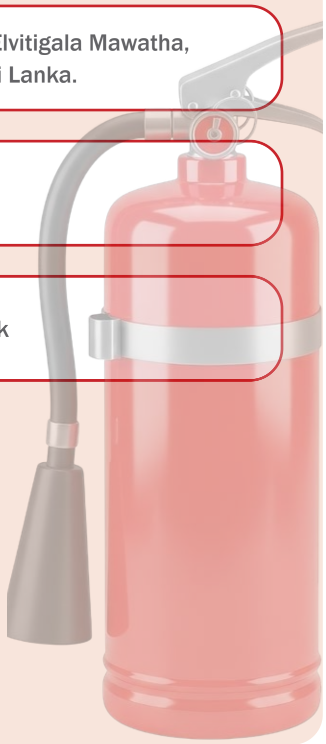
The Company welcomes feedback from stakeholders as part of its commitment to continuous improvement and transparent communication. Suggestions and inquiries regarding this Report may be directed to:

Insert Contact Details

Level 8,100/1 Elvitigala Mawatha,
Colombo 08, Sri Lanka.

011 250 8888

info@alphafire.lk



Financial Highlights

For the year ended 31st March	2026	2025	Change%
Financial Performance (Rs)			
Revenue	503,189,119	416,270,509	21%
Gross Profits	220,012,026	175,563,762	25%
Interest Income	4,599,956	3,368,640	37%
Interest Expense	10,394,952	14,025,827	-26%
Profit Before Tax	76,774,154	59,737,893	29%
Profit After Tax	51,971,029	41,432,483	25%
Income Tax Expense	24,803,125	18,305,408	35%
Financial position at the year end (Rs)			
Total Equity	229,339,563	177,131,845	29%
Total Assets	370,321,223	383,206,415	-3%
Total Liabilities	140,981,661	206,074,571	-32%
Total Debt	66,542,118	99,680,378	-33%
Debt/Equity	0.29	0.56	-48%
Debt/Total Assets	0.18	0.26	-31%
Current Ratio	1.79	1.32	35%
Profitability Ratio			
Gross Profit Ratio %	43.72%	42.18%	3.68%
Operational Profit Ratio %	16.41%	16.91%	-1%
EBITDA %	15.45%	15.80%	-0.36%
Net Profit Ratio	10.33%	9.95%	0.38%
Return on Assets %	14.03%	10.81%	3.22%
Return On Shareholder's Fund (%)	22.66%	23.39%	-0.73%
Gearing Ratio			
Equity: Interest Bearing Ratio (Times)	3.45	1.78	166.95%
Debt : Equity Ratio (Times)	0.29	0.56	-27.25%
Quick Assets Ratio	0.87	0.53	33.81%

Gross Profits

Alpha Fire Services PLC Gross Profit Margin has increased by 25% comparing to the previous year.

Rs 220Mn

+25%

About Us

Who We are

Alpha Fire Services PLC initiated its journey in the fire business industry for a ‘Safer World’ in Bahrain and Sri Lanka in 1989. In 2007, it was registered as a Private Limited Liability Company on its way to becoming an established industry leader and the preferred choice for fire protection in Sri Lanka.

The company counts over 35 years of excellence strengthened by the quality standards it maintains, the qualified and skilled staff, and its adoption of the latest advanced machinery and techniques. AFS complies with CIDA EM1 (ICTAD) status, possesses ISO 9001:2015 certification and is also a member of the National Fire Protection Association (NFPA). The contribution from a total of 67 employees, including a team of qualified and trained engineers and technical staff, has supported the company’s performance over the years. Moreover, the modern workshop facility located in Polgasowita is equipped with the latest technologies and periodically upgraded to cater to industrial-level fire safety requirements.

CIDA EM1 (ICTAD) Status

EM 1 Grade on Fire Detection and Protection System is the highest grading provided by CIDA (ICTAD).

ISO 9001:2015 Certification

This certification covers the provision of supply and installation of fire equipment and systems, upgrading of existing fire systems, maintenance services and fire training.

An ISO 9001:2015 Certified

Vision

To be the customer's first choice of fire risk management, offering a comprehensive and unique portfolio of products and services, aiming at saving lives and protecting property from fire at all times.

Mission

To constantly upgrade and introduce new innovations, so as to ensure our valued customers can benefit from the latest technologies.

To contribute to a safer world guided by innovative technology.

To create value for our clients, employees, suppliers and shareholders.

Objective

Doing the right thing right the first time.

Logo Launch 2026

KANDY BRANCH OPENING

AGM 2025

Milestones

2003
AFS was legally incorporated

2020
The company received the ISO Certificate

CIDA - EM1 certificate

2022
AFS listed in Colombo Stock Exchange

2023
The company reached Rs. 250 Mn in revenue

Rs. 50 Mn Capital infusion by Rights Issue

2024
Investment in own workshop at Polgasowita

2025
NBEA Award for Fire Safety Sector

2026
500 Mn Revenue

220 Mn GP Margin

Expanded our presence across Kandy and the Maldives

Awards

National Business Excellence Awards 2026

Alpha Fire Services PLC was honored with the Merit Award in the Security and Technical Services Sector at the National Business Excellence Awards (NBEA) 2026, organised by the National Chamber of Commerce of Sri Lanka.

The National Business Excellence Awards is one of Sri Lanka's most prestigious and respected award programmers, recognising organisations that demonstrate excellence in leadership, strategy, governance, operational performance, innovation, and sustainable business practices. For over two decades, the awards have served as a benchmark for business excellence, promoting best practices across the Sri Lankan corporate sector.

Receiving this award reflects Alpha Fire Services PLC's continued commitment to delivering high-quality fire protection solutions while maintaining the highest standards of quality, customer satisfaction, innovation, and operational excellence. This achievement further reinforces the Company's position as a trusted leader in Sri Lanka's fire protection industry and motivates us to continue pursuing excellence in every aspect of our business.

Western Province Entrepreneur Awards 2024

Alpha Fire Services PLC was awarded the Merit Award in the Service Sector Medium Enterprise category at the Western Province Entrepreneur Awards 2024, jointly organised by the National Chamber of Commerce of Sri Lanka (NCCSL) and the National Enterprise Development Authority (NEDA).

The awards recognise entrepreneurs and organisations that demonstrate excellence in business performance, innovation, and contribution to economic development. This achievement reflects the Company's dedication to maintaining high standards of business practices and its commitment to delivering value to customers and stakeholders.

Lion Brewery (Ceylon) PLC – EHS Compliance Award

Alpha Fire Services PLC was recognised by Lion Brewery (Ceylon) PLC for its outstanding Environmental, Health and Safety (EHS) compliance and the exceptional quality of its fire protection products and services.

This recognition highlights the Company's commitment to maintaining the highest standards of safety, quality, and regulatory compliance while delivering reliable fire protection solutions. Being recognised by a valued client for excellence in service delivery is a significant milestone that further strengthens Alpha Fire Services PLC's reputation as a trusted partner in the industry.

Our Services

Alpha Fire Services PLC considers the safety of its clients with utmost importance and attends to safety practices with urgency. The company offers product-handling guidance, post-purchase maintenance, upgrades, and customisation for client requirements.

All equipment and systems designed by Alpha Fire Services PLC are compatible with safety standards, and long-term customer satisfaction is ensured with its after-sales customer service.

Designing

Complying with local and international standards and regulations, AFS designs fire protection and detection, suppression systems and centralised liquid petroleum gas systems.

installation

Through the commissioning of the installed fire protection systems, AFS confirms that the interconnected fire systems function as per design specifications and operational guidelines in compliance with local and international regulations and standards.

Commissioning

AFS installs fire safety equipment and systems following at horough in spection by its well - experienced technical team at the premises and the surrounding conditions.

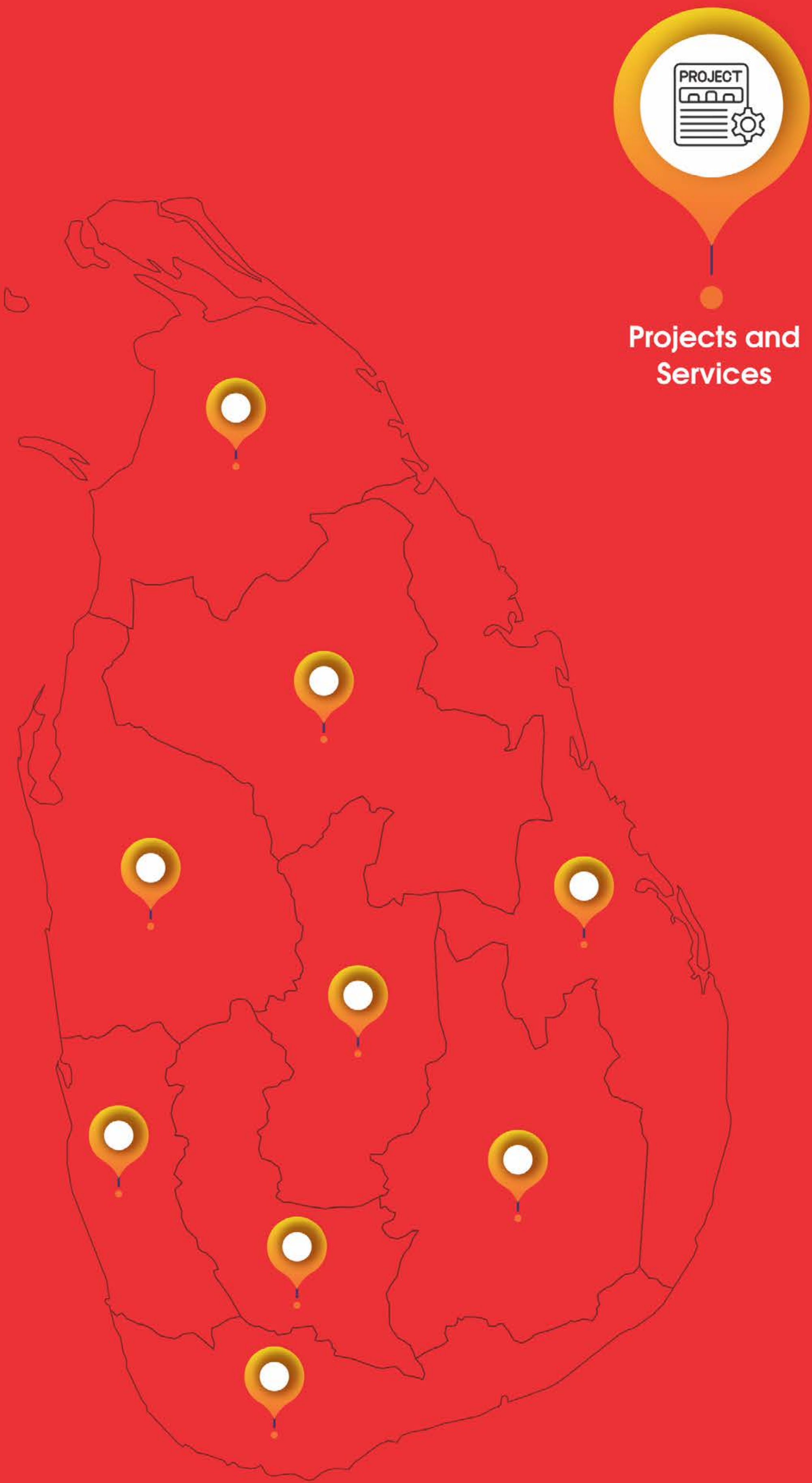
Maintenance

AFS provides islandwide maintenance and upgrade services for all types of fire equipment and systems.

Training

AFS conducts training and demonstrations on fire safety, the use of various types of fire equipment and rescue instructions to be followed during a fire emergency.

Our Regional Presence



Expanding
Our Reach

This year marked an important step forward as we expanded our presence across Kandy and the Maldives, bringing trusted fire safety solutions to more communities and businesses.

Chairman's Statement

Mr. A.U.A. Menaka Athukorala
Chairman

"True strength lies not merely in responding to challenges, but in anticipating them. Through preparation, discipline and the ability to adapt, we can transform uncertainty into opportunity. At Alpha Fire PLC, we remain committed to building resilience, acting with foresight and positioning ourselves today to embrace the opportunities of tomorrow."

Operating Environment

The year under review unfolded within a more stable macroeconomic landscape in Sri Lanka, supported by continued reforms and improved policy discipline. The Central Bank of Sri Lanka's Annual Economic Review 2025 indicates that the economy recorded real GDP growth of approximately 5%, reflecting a gradual but sustained recovery. Lower interest rates, easing inflationary pressures and improved investor sentiment contributed to renewed economic activity. Construction and infrastructure development emerged as key growth drivers, supported by increased project pipelines across commercial, industrial and hospitality sectors. Strengthening regulatory focus on safety standards further reinforced demand for fire protection solutions, positioning the industry for sustained expansion.

Performance and Key Achievements

Alpha Fire Services PLC delivered a strong performance during the year, recording growth in both revenue and profitability. This reflects the Company's ability to leverage favourable market conditions while maintaining operational discipline. Its standing as a listed entity and a recognised leader in the fire protection sector continues to support its competitive positioning.

A notable achievement during the year was the establishment of the Company's first regional service centre in Kandy. This milestone marks a strategic shift towards decentralised operations, enabling improved service delivery, faster response times and enhanced cost efficiency.

The year under review also witnessed a transition in ownership and governance, with the appointment of a new Board following an acquisition by major shareholders. This has strengthened the Company's strategic direction and governance framework, supported by enhanced industry expertise. A refreshed brand identity was introduced, reflecting the Company's transformation and future ambitions.

Strategic Priorities and Initiatives

Strategic focus during the year centred on strengthening operational capabilities, expanding geographic reach and enhancing customer engagement. Plans were initiated to develop a state-of-the-art facility in Polgasowita, designed to function as a 24-hour service centre with advanced fire equipment servicing capabilities.

Moreover, the Company commenced efforts to introduce digital platforms aimed at improving accessibility, particularly within the retail segment. Going ahead, expansion of regional service centres remains a priority, supporting improved customer proximity and operational efficiency. The contribution of the Company's team remained central to these initiatives. Skilled engineers and technical personnel continued to deliver high standards of service, ensuring operational continuity and reinforcing customer confidence.

Challenges and Resilience

The operating environment presented several challenges, particularly in relation to external economic factors. Currency volatility and rising global fuel prices exerted pressure on cost structures, impacting procurement and operational expenditure. These challenges were addressed through disciplined financial management, cost optimisation and strategic planning. The Company's ability to adopt to changing conditions and maintain service standards reflects its operational resilience and strong internal capabilities. The broader industry continues to face challenges related to regulatory enforcement and awareness, highlighting the need for further development in fire safety standards and compliance mechanisms.

ESG, Governance and Risk

Environmental, Social and Governance (ESG) considerations remain integral to the Company's strategic direction. Fire protection inherently contributes to safeguarding lives, infrastructure, and environmental assets. The Company continues to adopt efficient technologies and systems that minimise environmental impact while enhancing operational effectiveness.

Social responsibility is reflected in the Company's role in promoting fire safety awareness and preparedness through training and advisory services. Governance enhancements during the year have strengthened transparency and accountability, supported by improved systems, processes and evaluation frameworks. These measures reinforce stakeholder confidence and support effective risk management.

Chairman's Statement

Risk management remains focused on mitigating exposure to external uncertainties, including foreign exchange fluctuations, energy price volatility and broader economic risks.

Future Outlook

The outlook for Alpha Fire Services PLC remains positive, supported by continued momentum in construction and infrastructure development. Strategic projects such as Port City Colombo and increased activity in the hospitality sector are expected to sustain demand for fire protection solutions.

Opportunities for geographic expansion, including entry into regional markets such as the Maldives, present additional avenues for growth.

Potential risks remain, particularly in relation to external economic conditions and cost pressures. A disciplined approach to risk management and strategic execution will be essential in navigating these uncertainties.

Acknowledgements

The Board extends its appreciation to the management team and all employees for their dedication and professionalism during the year. Their contribution has been instrumental in delivering strong performance and advancing the Company's strategic objectives.

I am pleased to extend my gratitude to shareholders for their continued confidence, to customers for their trust and loyalty and to all stakeholders who have supported the Company's progress. Alpha Fire Services PLC remains committed to building on this foundation and delivering sustainable value in the years ahead.

A.U.A. Menaka Athukorala
Chairman

31st August 2026

Managing Director's Review

K.M.A. Viraj Fernando
Managing Director

Managing Director's Review

"True strength lies not merely in responding to challenges, but in anticipating them. Through preparation, discipline and the ability to adapt, we can transform uncertainty into opportunity. At Alpha Fire PLC, we remain committed to building resilience, acting with foresight and positioning ourselves today to embrace the opportunities of tomorrow."

The financial year 2025/26 marked a period of consolidation, expansion and strategic repositioning for Alpha Fire Services PLC. A more stable macroeconomic environment, coupled with a resurgence in construction and infrastructure activity created favourable conditions for operational growth. Within this context, the Company focused on strengthening its core business segments, improving service delivery and expanding its market footprint.

Operational performance during the year reflected a clear upward trajectory. The Company recorded growth in the range of approximately 20–25% compared to the previous financial year, driven primarily by a deliberate shift towards project-based business and improved execution across service operations. This performance was underpinned by a disciplined approach to project selection, cost management, and customer engagement. Another defining feature of the year was the recalibration of operational priorities, with increased emphasis placed on scaling higher-value project engagements while maintaining the strength of recurring service revenue streams. This balanced approach has enabled the Company to enhance revenue visibility while safeguarding operational stability.

Segmental Performance

The Company's operations are structured across three core segments: projects, services and supply. Each segment contributed meaningfully to overall performance, with distinct dynamics shaping their respective outcomes.

Projects

The projects segment emerged as the primary driver of growth during the year. Historically, Alpha Fire Services PLC maintained a relatively conservative presence in large-scale project execution. However, with the introduction of a dedicated project team and a renewed strategic focus, the Company significantly expanded its footprint in this segment. Growth in the projects segment was supported by increased construction activity across industrial and commercial sectors, as well as heightened compliance requirements. The Company adopted a selective approach to project acquisition, with careful evaluation of payment terms, client credibility and project viability. This disciplined strategy ensured that growth was achieved without compromising financial stability. Several large-scale installations were successfully completed during the year, including multiple factory projects for leading industrial clients such as the CBL Group, alongside additional manufacturing sector engagements. These projects not only contributed to revenue growth but also strengthened the Company's technical capabilities and reputation in complex system integration.

Services

The services segment continued to deliver stable and recurring revenue, reinforcing its role as a cornerstone of the company's business model. Annual maintenance contracts, system inspections and breakdown services remained key contributors within this segment. A strong technical team, supported by a well-equipped workshop facility, enabled the Company to maintain high service standards and rapid response times. Structured processes for monitoring customer feedback, resolution timelines and service quality were implemented and reviewed on a quarterly basis, ensuring continuous improvement. The services segment also benefited from the Company's focus on customer retention and long-term relationships, with after-sales support emerging as a critical differentiator in a competitive market.

Supply

The supply segment, while relatively smaller in contribution, continued to support both project and service operations. This segment includes the distribution of fire protection equipment and systems, largely sourced from international manufacturers. Performance within this segment remained steady, although it was impacted by exchange rate fluctuations, given the import-dependent nature of the business. Despite these challenges, effective procurement planning and supplier management ensured continuity of supply and cost control.

The Company enters the new financial year with a strong and healthy order book, providing a solid foundation for future growth. Approximately 50% of the upcoming year's revenue targets are already secured through an existing order backlog carried forward from the previous year. The nature of the fire protection industry, particularly within the projects segment, results in project cycles ranging from six to 12 months. This creates a natural pipeline of work that supports revenue continuity and visibility. The current pipeline includes a mix of industrial, commercial, and infrastructure projects, reflecting a diversified approach to market engagement. Continued momentum in construction activity, particularly in high-rise developments and hospitality sector projects, is expected to further strengthen the pipeline.

Achievements

The successful execution of multiple industrial and manufacturing sector projects stands out as a key operational achievement during the year. Installations completed for leading clients demonstrated the Company's ability to deliver integrated fire protection solutions across complex environments.

In addition to project execution, the establishment of a regional service centre in Kandy marked a significant operational milestone. This initiative represents the Company's first step towards decentralising service operations, enabling improved responsiveness, reduced turnaround times, and enhanced customer satisfaction.

The year also saw progress in strengthening internal processes, including enhanced project evaluation frameworks, improved service monitoring systems and the introduction of more transparent operational practices. These initiatives have contributed to improved efficiency, accountability, and overall operational effectiveness.

Operational Challenges and Mitigation

Operations during the year were influenced by several external challenges. Exchange rate volatility remained a key concern, given the Company's reliance on imported equipment. Even marginal fluctuations in currency levels had a direct impact on procurement costs and pricing strategies. Global fuel price movements further contributed to cost pressures, affecting logistics, labour, and overall operational expenditure. These challenges required a proactive approach to cost management and pricing optimisation.

The Company responded to these challenges through a combination of strategies, including selective project engagement, improved cost control measures, and strengthened supplier relationships. Operational efficiency was enhanced through better planning, resource allocation, and process optimisation. In addition, the expansion of regional service capabilities is expected to mitigate cost pressures over the medium term by reducing logistical inefficiencies and improving service delivery.

Strategic Priorities for the Year Ahead

Looking ahead, operational priorities will be centred on scaling growth, enhancing service delivery and strengthening organisational capabilities. Expansion of regional service centres remains a key priority, with plans to extend the model beyond Kandy to other strategic locations. This initiative will enable the Company to improve customer accessibility, reduce operational costs, and enhance service responsiveness.

The development of a new, purpose-built facility in Polgasowita represents another critical priority. This facility is envisaged as a state-of-the-art service hub, incorporating advanced fire equipment servicing capabilities and operating on a 24-hour basis. It is expected to significantly enhance operational efficiency and service capacity.

Digital transformation will also play an increasing role in the Company's operations. The planned introduction of an online platform for retail customers will improve accessibility and streamline the purchasing process, while also supporting the expansion of the retail segment.

Within the projects segment, the Company will continue to adopt a selective and disciplined approach, focusing on high-quality opportunities that align with its strategic objectives and risk appetite. Strengthening project management capabilities and enhancing execution efficiency will remain key areas of focus.

The services segment will continue to prioritise customer satisfaction, with ongoing investments in training, process improvement, and technology adoption to enhance service delivery standards.

Alpha Fire Services PLC has demonstrated resilience, adaptability and strategic clarity during the year under review. The year ahead presents significant potential, supported by favourable industry dynamics and a strong project pipeline.

Appreciation

I extend my sincere appreciation to the Chairman and the Board of Directors for their steadfast guidance and oversight during a year that demanded resilience and clarity of direction. Their leadership has been instrumental in steering the Company through a complex operating environment.

My thanks are equally due to the team at Alpha Fire Services, whose professionalism, discipline, and commitment have underpinned the progress achieved during the year. Their efforts continue to define the standards by which the Company operates.

I also acknowledge the continued support of our shareholders, suppliers, the Fire Department, and our banking partners. Their collaboration and confidence have contributed meaningfully to the Company's stability and growth.

Above all, I extend my gratitude to our clients for the trust they place in Alpha Fire Services. Their confidence remains the foundation of our business, and it is this enduring partnership that drives us to strengthen our capabilities and deliver consistently high standards in the year ahead.

K.M.A. Viraj Fernando
Managing Director

31st August 2026

Board of Directors

Board of Directors' Profiles

Menaka Athukorala – *Chairman*

The career journey commenced as a Junior Assistant Superintendent in 1992, followed by progression to the position of Superintendent at Salawa Estate under Pussellawa Plantations Limited in 2002. With 32 years of experience in the plantation sector, the professional journey has advanced to the present roles of Country Manager cum Director of Lotus Renewable Energy (Pvt) Ltd and Executive Director of Lotus Hydro Power PLC, together with a directorship at Origin Tea Exports (Pvt) Ltd.

The most significant milestone of the professional journey is the appointment as Managing Director of Hatton Plantations PLC, a subsidiary of the G&G Group of Companies.

Viraj Fernando

With over 23 years of experience in HVAC, MEP, fire protection, cold chain, and renewable energy sectors, Viraj Fernando is a seasoned industry leader known for driving innovation and operational excellence. He served in senior roles at Softlogic Retail for 18 years and currently leads Icon Engineering Enterprises Pvt Ltd, spearheading large-scale air conditioning projects in Sri Lanka and the Maldives. Viraj holds an MBA from the University of Northampton (UK), along with advanced qualifications in business and leadership. His strategic vision and sustainability focus position him to elevate Alpha Fire Services PLC to new industry standards.

Jerome Wijeyesinghe

Jerome Wijeyesinghe is a seasoned leader in the HVAC and MEP industries with nearly two decades of experience spanning Sri Lanka, Bangladesh, and the Maldives. His career includes senior roles at Western Airducts, Hira Industries, Damro Group, and Softlogic Group, where he successfully led high-value projects and expanded regional market presence. Currently serving as Executive Director at Icon Engineering Enterprises Pvt Ltd, Jerome brings strategic foresight, strong client relationships, and operational expertise. His proven ability to drive business growth and manage complex engineering ventures positions him as a valuable addition to the Alpha Fire Services PLC board during this pivotal expansion phase.

Duminda Mahali
Weerasekare

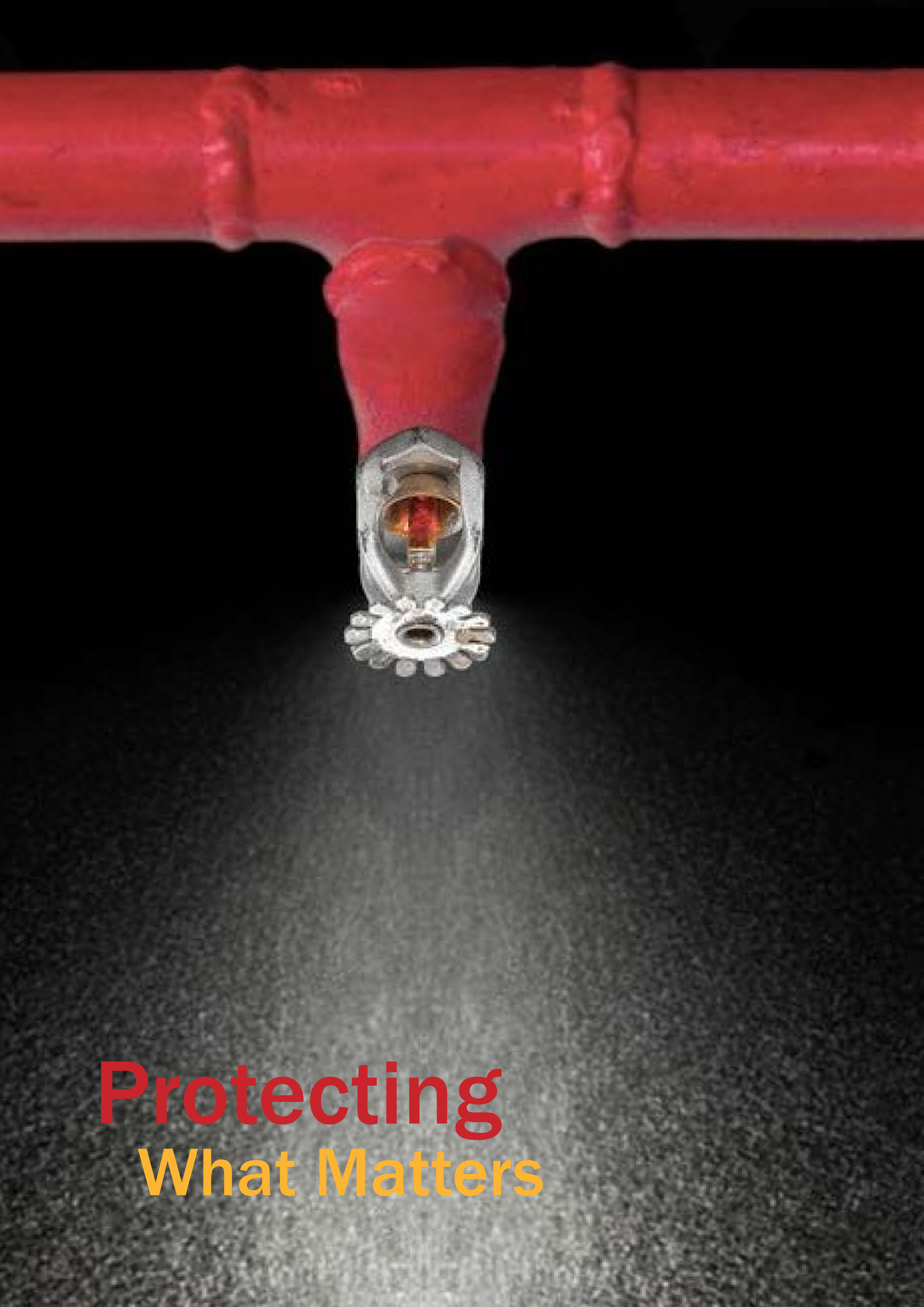
With over three decades of experience in finance and corporate leadership, Duminda Weerasekare is a Fellow of both the Institute of Chartered Accountants of Sri Lanka and the Chartered Institute of Management Accountants (UK). His career includes senior roles such as Director, Chief Executive Officer, and Chief Operating Officer at several leading organisations. His expertise lies in negotiating and securing funding from international agencies, pioneering new funding sources in Sri Lanka, and developing strategic financial plans for various sectors on behalf of global institutions. He is also a Fellow of the Netherlands Development Bank, reflecting his commitment to international development and financial excellence.

Mestiyage Don Janaka
Ravi Goonetilleke

Banking Professional with over 28 years in banking, including leadership as Vice President at Deutsche Bank, he brings deep expertise in Custodian Services, Trade and Customer Services, Remittances, and Payment Solutions. His career spans both sales and operations across local and international environments. He has over two decades of management experience, leading diverse teams and ensuring seamless service delivery while interfacing with clients, regulators, and stakeholders. He has also served as a Project Consultant for a local bank, driving strategic initiatives. Known for being results-driven, he excels in high-pressure settings, leveraging strong interpersonal and team-building skills to deliver client-centric solutions. His professional development includes specialist training both locally and overseas across multiple discipline

Thira Ravindu
Gajavikum Kalamulla

With over a decade of regional experience in South Asia and East Africa, Ravindu Kalamulla is a finance professional with ACCA and CIMA certifications and a distinguished CIMA world ranker. He has held senior roles at MAS Holdings, served as Vice President at Daraz (Alibaba Group), and as a Director of CR Group of Companies. Ravindu combines finance expertise with strong business and marketing skills. His experience spans financial strategy, supply chain management, e-commerce operations, overseas investments, and business development. He has played key roles across manufacturing, supply chain, and financial sectors, driving sustainable growth in dynamic markets.


Protecting
What Matters

Behind every system we install is a greater purpose
protecting people, livelihoods, businesses, and the spaces
where life happens every day.

Management Discussion & Analysis

Highlights

Revenue surpassed Rs. 500 million for the first time, increasing 21%, reflecting strong growth across core business segments. Gross profit increased by 25% to Rs. 220.0 million, supported by disciplined project execution, prudent cost management, and improved project mix. International expansion commenced, with the Maldives identified as the Company's first regional growth market.

OPERATING CONTEXT AND EXTERNAL ENVIRONMENT

The 2025/26 financial year marked another significant step in Sri Lanka's economic recovery, as the country consolidated the gains achieved following the unprecedented economic challenges experienced in recent years. Improved macroeconomic stability, ongoing fiscal and monetary reforms, easing inflationary pressures, and a gradual restoration of investor confidence created a more supportive operating environment for businesses across multiple sectors. Although global economic uncertainty, geopolitical tensions and supply chain disruptions continued to influence international markets, Sri Lanka demonstrated greater resilience, supported by policy reforms and the revival of domestic economic activity.

For Alpha Fire Services PLC, these developments translated into improving market opportunities, particularly within construction, industrial development, tourism and commercial infrastructure. As investment activity gradually accelerated and previously stalled developments resumed, demand for integrated fire protection systems, specialised engineering solutions and maintenance services strengthened considerably. At the same time, the Company continued to navigate challenges arising from exchange rate movements, imported equipment costs, logistics expenses, and evolving customer requirements through disciplined operational management and strategic planning. The year also represented an important period of transformation for the Company as it expanded its operational footprint, diversified its product portfolio, strengthened customer engagement capabilities, and invested in digital technologies that will support long-term scalability and sustainable value creation.

Macroeconomic Performance

Gross Domestic Product (GDP)

Sri Lanka recorded real GDP growth of 5.0% during 2025, marking the second consecutive year of economic expansion following the country's recovery from the economic crisis. Growth was broad-based across all four quarters and reflected improving macroeconomic stability, stronger business confidence, and continued implementation of structural reforms. The industry sector remained the principal driver of growth, supported by renewed activity in manufacturing, construction, mining and quarrying. Construction, in particular, experienced a notable recovery as previously suspended public and private sector projects recommenced while new commercial and industrial investments gradually entered implementation. The services sector also strengthened during the year, led by financial services, transportation, accommodation, tourism-related activities and information technology. Agriculture recorded modest but improved growth compared with the previous year despite weather-related disruptions towards the latter part of the year.

Inflation

Inflation remained well contained throughout most of 2025 following an extended period of deflation that began during the latter part of 2024. Lower electricity tariffs, favourable base effects and stabilising commodity prices contributed to subdued inflation during the early part of the year.

From mid-year onwards, inflation gradually returned to positive territory as food prices increased following supply disruptions caused by Cyclone Ditwah together with revisions to electricity tariffs and improving domestic demand. Headline inflation, measured by the Colombo Consumer Price Index (CCPI), reached 2.1% by the end of 2025 compared with -1.7% recorded at the end of the previous year. Overall inflation remained moderate and largely driven by supply-side factors, providing businesses with a relatively stable operating environment compared with recent years.

Interest Rates

Sri Lanka's monetary policy remained accommodative throughout much of the financial year. Supported by declining inflation and improving liquidity conditions, the Central Bank continued monetary easing by reducing the Overnight Policy Rate (OPR) by a further 0.25 percentage points.

Consequently, market lending and deposit rates continued their downward trajectory, improving access to credit and encouraging business investment. Although short-term market rates experienced temporary volatility during the latter part of the year owing to liquidity imbalances within the banking sector, these fluctuations gradually stabilised as liquidity conditions improved.

The lower interest rate environment supported business confidence and investment decisions across construction and industrial sectors, contributing positively to the Company's project pipeline.

External Sector

Sri Lanka's external sector continued to demonstrate resilience despite global uncertainty. The country recorded its third consecutive current account surplus, supported by stronger inflows despite a widening merchandise trade deficit. Merchandise imports increased by 14.0% to USD 21.5 billion, largely reflecting higher expenditure on intermediate goods and the resumption of vehicle imports. Export earnings increased by 6.3%, reaching a record USD 13.6 billion, although the trade deficit widened to USD 7.9 billion compared with USD 6.1 billion in the previous year.

2026 End of Year Summary

The Company delivered a strong performance, supporte by healthy profitability, financial stability and continued value creation.

Earnings per Share
Rs 1.37

Net Assets
Rs. 228Mn

Profit for year
Rs 51Mn

Revenue
Rs 503Mn

Management Discussion & Analysis

While these developments reflected improving domestic demand and economic recovery, imported inflation and exchange rate fluctuations continued to influence businesses dependent on imported equipment and specialised engineering products.

Industry Outlook

The fire protection industry benefited directly from renewed activity across construction, manufacturing, hospitality and commercial real estate developments. Increasing regulatory emphasis on life safety standards, combined with heightened awareness among businesses regarding fire risk management, continued to strengthen demand for modern fire detection and suppression systems. The gradual alignment of local fire safety regulations with international standards is expected to further support industry growth over the medium term. Engagement between regulatory authorities, including the Colombo Fire Brigade, and industry participants indicates increasing emphasis on compliance, periodic system maintenance and enhanced safety requirements. These structural developments reinforce the long-term growth potential of the fire protection industry and position Alpha Fire Services PLC favourably to capitalise on expanding market opportunities.

BUSINESS MODEL AND VALUE CREATION

Alpha Fire Services PLC operates an integrated business model that encompasses the complete fire protection value chain, enabling the Company to deliver comprehensive solutions from initial consultation and system design through installation, commissioning, maintenance, upgrades and after-sales support. This integrated approach enables the Company to build long-term customer relationships while generating diversified revenue streams across multiple business segments. The Company's operations are centred on three complementary business pillars. The Projects segment delivers turnkey fire protection engineering solutions for commercial buildings, industrial facilities, manufacturing plants, hospitality developments and infrastructure projects. The Services segment provides recurring revenue through annual maintenance contracts, inspections, testing, breakdown response and system upgrades, creating long-term customer relationships and stable cash flows. The Supply segment complements these activities through the distribution of specialised fire protection equipment, components and safety solutions to both project and retail customers.

During the year, Alpha Fire Services further strengthened its business model by broadening its revenue base beyond its traditional project-focused operations. Strategic initiatives included expansion into external trading activities, entry into the Business-to-Consumer (B2C) market, the launch of an e-commerce platform, establishment of a dedicated Customer Care Unit, and the introduction of innovative fire safety products designed to address emerging risks, including lithium battery fires and electric vehicle applications. These initiatives have diversified the Company's income streams, reduced concentration risk, and positioned the business to capture new market opportunities while enhancing customer accessibility and service excellence.

The Company's customer portfolio continues to be anchored by the corporate and industrial sectors, which collectively account for the majority of business activity. Corporate organisations remain a key source of demand due to increasingly stringent regulatory compliance requirements, while industrial clients generate significant opportunities for large-scale fire protection installations across manufacturing and processing facilities. The Company also continues to expand its presence within the hospitality sector, infrastructure developments, and the residential market through its growing portfolio of innovative products and digital sales channels.

By combining technical expertise, specialised engineering capabilities, long-standing customer relationships, and a diversified operating model, Alpha Fire Services PLC continues to create sustainable value for shareholders, customers, employees and the wider community while strengthening its position as Sri Lanka's only listed fire protection solutions provider.

FINANCIAL REVIEW

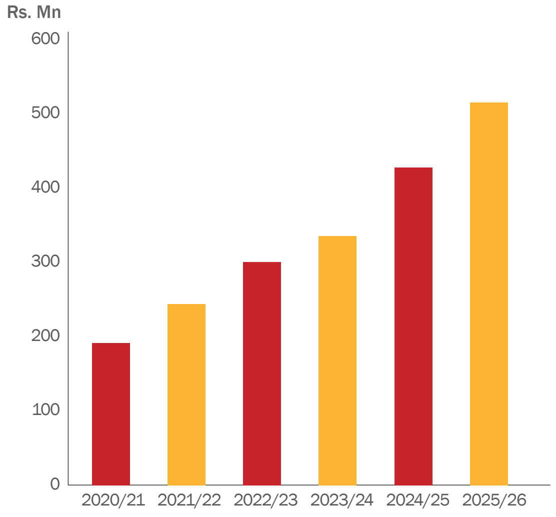
Revenue

Alpha Fire Services PLC delivered another year of strong financial performance during the 2025/26 financial year, supported by favourable market conditions, disciplined execution, and sustained demand across its core business segments. The Company recorded revenue of Rs. 503.1 million, compared with Rs. 416.2 million in the previous financial year, representing a 21% year-on-year increase. This performance reflects the Company's continued ability to expand its market presence while capitalising on the recovery in construction, industrial development and commercial investment.

Revenue growth was primarily driven by higher sales and service income generated from multinational clients together with several large-scale direct client projects undertaken during the year. A significant proportion of revenue was generated through the successful completion of projects carried forward from the previous year's order book, while newly secured contracts further strengthened the Company's project portfolio and supported continued business expansion.

The Projects segment remained the principal revenue contributor, generating Rs. 366 million through fire protection system supply and installation contracts across industrial, commercial and infrastructure developments. Complementing this performance, the Services segment generated Rs. 89 million, representing approximately 18% of total revenue, reflecting the stability provided by recurring maintenance contracts, inspections, system upgrades and Breakdown response services. The balanced contribution from these complementary business segments demonstrates the resilience of the Company's diversified operating model and its ability to sustain growth while maintaining long-term customer relationships.

Revenue



Profitability

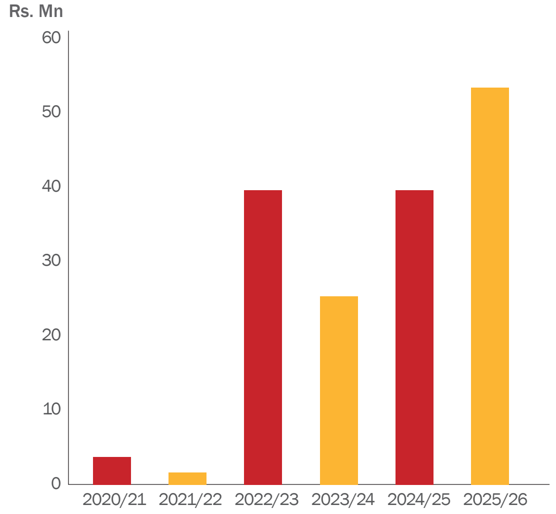
The Company's continued focus on disciplined project execution, prudent cost management, and value-based pricing translated into another year of improved profitability. Gross profit increased to Rs. 220.0 million during the financial year, compared with Rs. 175.5 million in the previous year, representing a 25% year-on-year increase. This improvement was primarily attributable to higher revenue generation, an improved project mix, and the Company's continued emphasis on operational efficiency throughout its business operations.

The strengthening of gross profitability was underpinned by strategic pricing decisions that reflected prevailing market conditions, particularly the volatility experienced in imported material costs and foreign exchange movements. At the same time, Management maintained a disciplined approach to procurement, inventory planning, cash flow management, and project costing, enabling the Company to preserve healthy margins despite an environment characterised by fluctuating input costs.

Nevertheless, operating conditions continued to present challenges. Higher energy costs, increased logistics expenses, rising labour costs, and imported equipment price fluctuations exerted pressure on operating margins during the year. These external factors required continuous monitoring and proactive cost optimisation initiatives across the business. Through selective project acquisition, improved procurement practices, and tighter operational controls, the Company successfully mitigated many of these pressures while maintaining profitability and service quality.

	2025/26 (Rs)	2024/25 (Rs)	%
Profit Before Tax	76,774,154	59,737,891	29%
Profit After Tax	51,971,029	41,432,483	25%

Profit After Tax



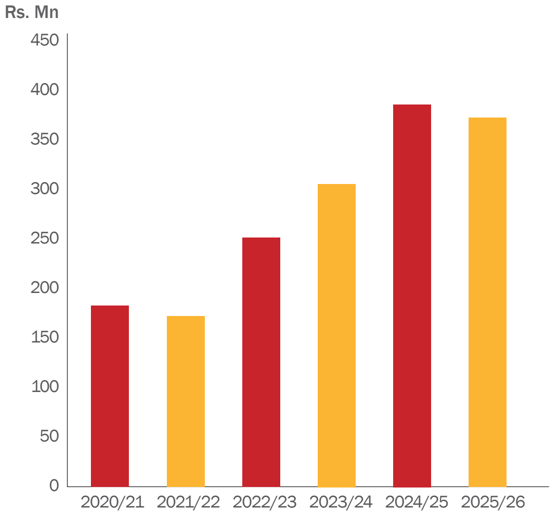
Assets

Total assets stood at Rs. 370 million as at 31 March 2026 compared with Rs. 383 million at the end of the previous financial year, representing a reduction of approximately 3%. While overall assets declined by Rs. 12 Mn, the movement primarily reflects deliberate improvements in working capital management rather than any contraction in business activity. The most significant contributor to the reduction in assets was a planned decrease in inventory levels. During the year, the Company continued to strengthen inventory management practices by improving procurement planning, reducing excess stock holdings, and aligning inventory purchases more closely with confirmed project requirements. These initiatives enabled more efficient utilisation of working capital while minimising inventory carrying costs and reducing the risk of stock obsolescence. The optimisation of inventory also enhanced liquidity by releasing capital previously tied up in stock, providing greater financial flexibility to support ongoing project execution, investment in new initiatives, and future

Management Discussion & Analysis

business expansion. This disciplined approach to asset management reflects Management's continued focus on operational efficiency and capital productivity.

Asset



	2025/26 (Rs)	2024/25 (Rs)	%
Total Debt	66,542,118	99,680,378	-33%
Debt/Equity	0.29	0.56	-48%
Debt/Total Assets	0.18	0.26	-31%
Current Ratio	1.79	1.32	35%

Liabilities

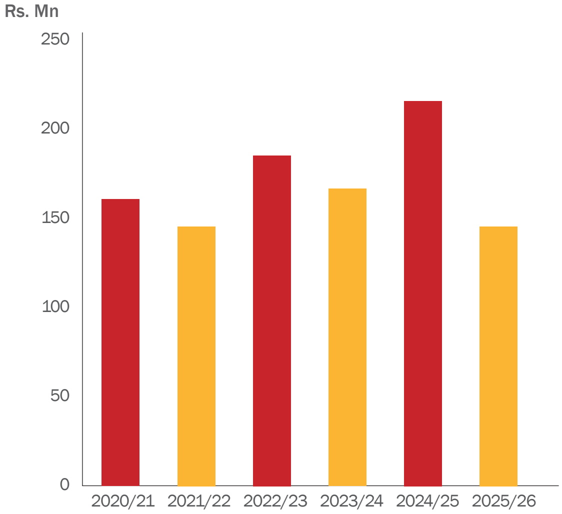
The Company continued to strengthen its financial position during the year through prudent balance sheet management and disciplined financing strategies. Total liabilities declined significantly to Rs. 140 million, compared with Rs. 206.8 million in the previous financial year, representing a substantial 32% reduction.

This improvement was primarily driven by the settlement of short-term bank borrowings together with the timely repayment of trade payables, reflecting improved cash generation and stronger liquidity management. The reduction in debt obligations has enhanced the Company's financial flexibility, reduced financing costs, and strengthened its overall capital structure.

At year end, short-term borrowings, bank overdrafts and trade payables continued to represent the Company's principal liabilities, collectively accounting for approximately 63% of total liabilities. Management continues to closely monitor working capital requirements and funding needs to ensure that the Company maintains adequate liquidity while supporting future growth initiatives.

The stronger balance sheet provides Alpha Fire Services PLC with a solid platform to pursue strategic investments, regional expansion opportunities, and continued operational development while maintaining prudent financial discipline.

Liabilities



OPERATIONAL REVIEW

Alpha Fire Services PLC delivered a strong operational performance during the financial year, supported by improving market conditions, disciplined execution, and the successful implementation of several strategic initiatives aimed at strengthening both operational capability and long-term competitiveness.

Overall business activity expanded by approximately 20–25% compared with the previous financial year, reflecting increased project execution, stable recurring service income, and growing demand across industrial, commercial and infrastructure sectors. Revenue exceeded Rs. 500 million for the first time in the Company's history, representing an important milestone in the Company's growth trajectory and demonstrating its ability to successfully capitalise on the recovery of Sri Lanka's construction and industrial sectors.

The year was characterised by a balanced contribution from all three core business segments. While turnkey engineering projects remained the principal growth driver, maintenance services continued to generate stable recurring income, supporting predictable cash flows and strengthening long-term customer relationships. Equipment supply activities complemented both segments by ensuring the timely availability of specialised fire protection systems and components required for project delivery.

Operational priorities throughout the year focused on expanding higher-value project opportunities, improving execution capabilities, strengthening recurring service revenue, enhancing customer responsiveness, and investing in technologies that improve efficiency and operational visibility. These initiatives collectively strengthened the Company's operational resilience while improving customer satisfaction and supporting sustainable long-term growth.

At the same time, the Company successfully navigated several external challenges, including exchange rate fluctuations, rising fuel costs, increasing logistics expenses, and imported equipment price volatility. Through proactive procurement planning, disciplined pricing strategies, selective project acquisition, and improved operational controls, the Company maintained service standards while protecting profitability.

Segmental Analysis

Projects

The Projects segment remained the largest contributor to business growth during the financial year, benefiting from the gradual recovery of Sri Lanka's construction industry and increased investment across industrial, commercial and hospitality developments.

Revenue generated from turnkey fire protection projects amounted to Rs. 366 million, reflecting strong demand for integrated fire detection, suppression, and protection systems. Growth was supported by several large industrial installations, manufacturing facilities, commercial developments, and projects secured directly from multinational clients.

Recognising the increasing importance of this segment, the Company established a dedicated Projects Team during the year to strengthen technical capabilities, improve project planning, and enhance execution efficiency. This specialised structure enables closer monitoring of project delivery, resource allocation, and customer engagement throughout the project lifecycle.

Management also refined project selection criteria to prioritise opportunities offering stronger commercial viability, secure payment structures, manageable execution risks, and long-term customer relationships. This disciplined approach has enabled Alpha Fire Services PLC to improve project quality while strengthening cash flow management and reducing overall project risk exposure.

Services

The Services segment continued to provide operational stability through recurring maintenance contracts, routine inspections, testing, emergency breakdown response, and system upgrades.

During the year, service and maintenance operations generated Rs. 89 million, representing approximately 18% of total Company revenue. This recurring income stream continues to strengthen the resilience of the Company's overall business model by providing stable cash flows independent of new project activity.

Operational improvements were implemented throughout the year to further enhance service quality. Greater emphasis was placed on monitoring response times, measuring customer satisfaction, tracking service performance indicators, and reviewing operational metrics on a quarterly basis. These measures support continuous improvement while ensuring customers receive timely, reliable and technically competent support.

The Company also established a dedicated Customer Care Unit during the year, representing an important enhancement to its customer engagement strategy. The new unit provides centralised management of customer inquiries, complaint resolution, service coordination, and proactive follow-up, while also supporting customer retention and identifying new business opportunities. This initiative is expected to strengthen customer loyalty, encourage repeat business, and reinforce Alpha Fire Services PLC's reputation for responsive and dependable service.

Supply

The Supply segment continued to play a critical supporting role by providing specialised fire protection & Detection equipment and components to both internal projects and external customers

As the majority of specialised fire protection equipment continues to be imported, procurement activities remained exposed to foreign exchange movements and global supply chain conditions. Throughout the year, Management adopted proactive procurement strategies, supplier coordination initiatives, and carefully timed purchasing decisions to minimise the impact of exchange rate fluctuations and imported cost increases.

In parallel, the Company continued expanding its product portfolio to meet evolving customer requirements and emerging fire safety risks. During the year, several innovative fire protection solutions were introduced, including Nano Mist suppression systems, FireFlex systems for electrical panels, lithium fire extinguishers designed for battery-related fire risks, and fire-stop solutions for residential applications.

The Company also initiated the introduction of a Car Fire Blanket, an innovative fire safety solution specifically

Management Discussion & Analysis

developed for conventional, hybrid and electric vehicles. The product is designed to rapidly contain vehicle fires by restricting oxygen supply, reducing smoke emissions, limiting fire spread, and minimising property damage. As electric vehicle adoption increases, Management expects growing demand for specialised fire protection solutions of this nature, further strengthening the Company's product offering and creating new revenue opportunities.

Portfolio Growth and Business Diversification
During the year under review, Alpha Fire Services PLC continued to strengthen its long-term growth strategy by broadening its revenue base, expanding its market reach, and investing in new business opportunities that complement its core fire protection operations. These initiatives reflect the Company's commitment to building a more resilient and diversified business model capable of generating sustainable value across varying economic cycles.

Historically, the Company's operations were centred primarily on the supply and installation of fire protection & Detection systemsfor commercial and industrial projects. While this remains its principal business, Management continued to pursue opportunities to diversify revenue streams and reduce dependence on a single source of income. This strategic direction supports greater earnings stability while positioning the Company to capitalise on emerging opportunities within Sri Lanka's evolving fire safety industry.

One of the key developments during the year was the expansion into external trading activities. Leveraging its extensive supplier network and technical expertise, the Company has broadened its operations beyond importing equipment solely for internal project execution to supplying specialised fire safety products directly to external customers. This initiative creates an additional revenue stream while enhancing the Company's position across the broader fire protection value chain.

The Company also made significant progress in expanding its presence within the Business-to-Consumer (B2C) market. Traditionally focused on corporate and industrial customers, Alpha Fire Services PLC introduced a range of fire safety solutions designed specifically for residential and domestic applications. This strategic expansion enables the Company to address growing public awareness of fire safety while creating new opportunities within an underserved market segment.

Supporting this initiative, several innovative products were introduced during the year, including Nano Mist fire suppression systems, FireFlex protection systems for electrical panels, lithium fire extinguishers designed for battery-related fire risks, fire stop solutions for residential applications, and the introduction of a Car Fire Blanket capable of rapidly containing fires involving both conventional and electric vehicles. These product innovations reflect the Company's commitment to responding proactively to changing technologies, evolving customer needs, and emerging fire safety risks.

The Company also invested in strengthening customer accessibility through the launch of its e-commerce platform, enabling customers to conveniently browse, purchase, and arrange delivery of fire safety products online. This digital sales channel broadens market reach, enhances customer convenience, reduces distribution costs, and supports future growth of the retail business.

Complementing these initiatives, Alpha Fire Services PLC established a dedicated Customer Care Unit to further enhance customer engagement. The new unit provides centralised management of customer enquiries, complaint resolution, after-sales support, and proactive customer follow-up while also identifying opportunities for repeat business and new customer acquisition. Collectively, these initiatives strengthen customer relationships, improve service delivery, and support sustainable long-term revenue growth.

Order Book and Pipeline

The Company enters the 2026/27 financial year with a healthy project pipeline that provides strong revenue visibility and supports confidence in future growth. Approximately 50% of the projected revenue for the coming financial year has already been secured through confirmed orders and ongoing projects, providing a solid foundation for continued business performance.

Project lifecycles typically range between six and twelve months, enabling the Company to maintain a consistent flow of revenue while effectively managing resource allocation and project execution. The order book comprises a diversified portfolio of industrial, commercial, hospitality, infrastructure, and institutional developments, reducing concentration risk and providing resilience against fluctuations in any single sector.

The Company continues to adopt a disciplined approach to project acquisition, evaluating opportunities based on commercial viability, payment security, execution feasibility, technical complexity, and long-term customer relationships. This selective strategy ensures that growth is supported by strong cash flow generation and effective risk management rather than volume alone.

Looking ahead, Management expects continued momentum in construction, industrial expansion, hospitality developments, and infrastructure investments to generate further opportunities, supporting a healthy pipeline of projects over the medium term.

Operational Infrastructure and Regional Expansion
During the year, Alpha Fire Services PLC made significant investments to strengthen its operational infrastructure and improve service delivery across the country. A major milestone was the establishment of the Company's first regional service centre in Kandy, representing an important step in its long-term decentralisation strategy. The new facility significantly enhances the Company's ability to serve customers across the Central Province by reducing response times, improving technical support, and lowering transportation and logistics costs. The regional presence enables faster mobilisation of technical teams while enhancing customer satisfaction through improved service accessibility.

The Company also relocated its workshop and storage operations to its newly acquired fully owned facility in Polgasowita, creating a centralised operational hub with substantially greater capacity. The new premises provide improved warehousing facilities, expanded workshop capabilities, enhanced inventory management, and greater operational flexibility. By consolidating operational resources within a purpose-built facility, the Company expects to improve productivity, streamline workflows, optimise operating costs, and support future business expansion.

Building upon these developments, Management plans to establish additional regional service centres in Galle and Jaffna, complementing the existing Kandy operation and providing more comprehensive island-wide service coverage. These strategic investments will further improve operational efficiency, reduce response times, strengthen customer relationships, and support future revenue growth.

Beyond Sri Lanka, Alpha Fire Services PLC has also initiated its regional expansion strategy through entry into the Maldives, where discussions are underway regarding project opportunities and strategic partnerships. The Maldives is viewed as an important gateway for broader regional expansion into South Asia and neighbouring island economies, providing opportunities to diversify revenue sources while leveraging the Company's specialised expertise in fire protection and detection engineering.

Technology and Digital Integration

Technology continues to play an increasingly important role in improving operational efficiency, customer experience, and business scalability at Alpha Fire Services PLC. During the year, the Company accelerated several digital initiatives designed to strengthen operational control, improve service delivery, and enhance customer engagement.

The implementation of a Lead Management System has strengthened sales management by enabling more effective tracking of customer enquiries, improving conversion rates, and providing greater visibility across the sales pipeline. This supports more informed decision-making while improving responsiveness to customer requirements.

The introduction of a Barcode Tracking System has enhanced the management of servicing operations by improving equipment traceability, scheduling maintenance activities more efficiently, and strengthening visibility across maintenance workflows. These improvements support higher service reliability while reducing operational inefficiencies.

To improve customer convenience, the Company also introduced an Online Payment Gateway, enabling customers to make secure digital payments for products and services. This initiative complements the Company's broader digital transformation strategy while enhancing accessibility and simplifying customer interactions.

A significant milestone during the year was the launch of the Company's e-commerce platform, providing customers with convenient online access to Alpha Fire Services PLC's expanding range of fire safety products. The platform enables customers to browse products, place orders, and arrange doorstep delivery through an integrated digital channel, expanding market reach while supporting the Company's entry into the retail fire safety market.

Technology investments continue to support improved operational visibility, better customer engagement, more efficient service delivery, and enhanced decision-making across the organisation.

Environmental, Social and Governance (ESG)

Environmental Stewardship

The Company's core business contributes directly to reducing environmental risks associated with fire incidents by protecting buildings, industrial facilities, equipment, and critical infrastructure from potentially catastrophic damage. Through the design, installation, maintenance, and upgrading of fire protection and detection systems, Alpha Fire Services PLC plays an important role in minimising environmental harm arising from fire-related incidents.

The continued introduction of innovative technologies, including Nano Mist suppression systems and other water-efficient fire protection solutions, reflects the Company's

Management Discussion & Analysis

commitment to promoting more sustainable fire safety practices while reducing resource consumption where appropriate.

Social Responsibility

Protecting lives remains the Company's most significant contribution to society. Every fire detection, suppression, and protection system installed by Alpha Fire Services PLC contributes towards safeguarding people, property, businesses, and national infrastructure.

Beyond project execution, the Company actively supports clients through technical guidance, fire safety awareness programmes, system demonstrations, user training, emergency preparedness initiatives, and maintenance programmes that promote a stronger culture of fire prevention and risk management.

The Company's investment in customer care, expanded regional service capability, improved response times, and enhanced accessibility through digital platforms further strengthens its social impact by ensuring customers receive reliable and timely support throughout the lifecycle of their fire protection systems.

Corporate Governance

The year under review marked an important period of governance enhancement following changes in ownership and the reconstitution of the Board of Directors. These developments provided an opportunity to strengthen oversight structures, reinforce accountability, and align governance practices with the Company's future growth ambitions.

Management continued to strengthen procurement controls through enhanced supplier evaluation processes, improved documentation standards, greater transparency in decision-making, and more structured reporting mechanisms. These initiatives have strengthened internal controls, improved auditability, enhanced operational oversight, and reinforced confidence in the Company's governance framework.

Building upon these improvements, Alpha Fire Services PLC intends to formally integrate Environmental, Social and Governance considerations into its strategic planning and reporting processes over the coming years, reflecting its commitment to creating sustainable long-term value for all stakeholders.

Outlook

Risks

Operating within a specialised engineering industry exposes the Company to a range of financial, operational, and market risks that require proactive management.

Foreign exchange volatility continued to influence procurement costs due to the Company's reliance on imported fire protection equipment and specialised components. Changes in global fuel prices also affected transportation, logistics, and project execution costs during the year.

Project-related risks, including payment delays, customer credit exposure, execution challenges, and resource allocation, remain inherent within the Company's operations. These risks are actively managed through disciplined project selection, careful client evaluation, structured contract management, and continuous monitoring of project performance.

Management also continues to strengthen supplier relationships, optimise procurement planning, improve inventory management, and decentralise operations through regional service centres, thereby enhancing operational resilience and mitigating supply chain risks.

Opportunities

The outlook for the fire protection industry continues to be supported by favourable long-term structural trends. Continued growth in commercial developments, industrial expansion, hospitality investments, high-rise construction, and infrastructure projects is expected to generate sustained demand for integrated fire protection solutions.

Increasing regulatory focus on fire safety compliance, together with the gradual adoption of international fire protection standards, is expected to further strengthen market demand across both public and private sectors.

Beyond its traditional project business, Alpha Fire Services PLC is well positioned to capture opportunities arising from product innovation, retail market expansion, digital commerce, external trading activities, and regional expansion into the Maldives and other neighbouring markets. These initiatives will diversify revenue streams while strengthening the Company's competitive position.

Future Priorities

The outlook for Alpha Fire Services PLC remains positive as Sri Lanka's economic recovery continues to support renewed investment across construction, manufacturing, tourism, and commercial infrastructure. Increasing awareness of fire safety, evolving regulatory requirements, and sustained development activity are expected to create favourable conditions for continued growth across the Company's core markets.

Looking ahead, the Company will focus on strengthening its regional service network through the establishment of additional service centres in Galle and Jaffna, further improving customer accessibility and operational responsiveness across the country.

The full operationalisation of the Company's Polgasowita facility will remain a strategic priority, providing greater operational capacity, enhanced technical capabilities, improved inventory management, and increased efficiency through the centralisation of workshop and warehouse operations.

Management will also continue expanding its digital capabilities through further development of its e-commerce platform, strengthening customer engagement, broadening product accessibility, and supporting the growth of the Company's retail business.

The establishment of the Company's trading arm represents another important strategic initiative that will strengthen Alpha Fire Services PLC's position within the fire protection value chain while creating additional revenue opportunities through the supply of specialised equipment to both domestic and regional markets.

International expansion will continue to focus initially on the Maldives, where the Company is actively pursuing project opportunities and strategic partnerships that will serve as a platform for broader regional growth.

Alpha Fire Services PLC remains committed to delivering innovative fire protection solutions, creating sustainable value for shareholders and stakeholders, and reinforcing its position as Sri Lanka's leading listed fire protection company.

Stakeholder Engagement

Introduction...

Alpha Fire Services PLC maintains strongand meaningful relationships with its key stakeholders through transparent, responsiveand continuous engagement.The Company incorporates stakeholder expectations in to its decision-making while creating long term value and contributing to safer and sustainable communities.

Sustainable value creation at Alpha Fire Services PLC is closely linked to the strength and quality of its relationships with stakeholders. The Company operates within an interconnected ecosystem comprising Shareholders, Employees, Customers, Suppliers, Regulators, Government Institutions and the Communities in which it operates. Each of these stakeholder groups plays a distinct and critical role in enabling the Company to deliver its services effectively, maintain operational continuity, and achieve long-term growth.

The Company adopts a structured and integrated approach to stakeholder engagement, guided by the principles of transparency, accountability and responsiveness. Engagement is not viewed as a standalone activity but as an integral component of the Company's business model and decision-making framework. Regular and meaningful interactions with stakeholders enable the Company to better understand their expectations, identify emerging risks and opportunities, and align its strategies accordingly.

Alpha Fire Services PLC ensures that stakeholder engagement processes are systematic, inclusive and tailored to the nature and significance of each stakeholder group. Communication channels are designed to facilitate both the dissemination of information and the receipt of feedback, ensuring a two-way dialogue that supports continuous improvement. These engagements take place through a range of formal and informal mechanisms, including financial disclosures, meetings, operational interactions, feedback platforms and collaborative initiatives.

Stakeholder insights are actively incorporated into the Company's strategic planning and operational processes. This integration supports improved decision-making, enhances risk management and strengthens the Company's ability to respond to a dynamic operating environment. For instance, feedback from customers informs service enhancements and product development, while engagement with employees supports talent retention, performance management and workplace well-being. Similarly, ongoing dialogue with regulators and government institutions ensures compliance with evolving standards and contributes to the development of a safer and more regulated industry environment.

The Company also recognises its broader responsibility to the communities in which it operates. Through its core activities in fire protection and safety, Alpha Fire Services PLC contributes directly to safeguarding lives, property and infrastructure. Community engagement initiatives, including safety awareness programmes and local employment opportunities, further reinforce this commitment.

In an environment characterised by economic fluctuations and evolving stakeholder expectations, maintaining strong, trust-based relationships remains a strategic priority. The Company's ability to engage effectively with its stakeholders enhances resilience, supports operational agility, and underpins its capacity to deliver sustainable value over the long term. The following section outlines the Company's key stakeholder groups, their expectations and the mechanisms through which Alpha Fire Services PLC engages with and responds to them.

Stakeholder Group	Methods of Engagement & Frequency	Key Interests/Expectations	Managing Expectations/Response
Shareholders	Financial statements, Annual General Meetings, CSE announcements, ongoing disclosures (Quarterly/Annually/As required)	Financial performance, earnings and dividends, growth prospects, transparency, governance, share price and liquidity	Timely and transparent financial reporting, strong governance practices, safeguarding market position, consistent communication, dividend issuance aligned with performance
Employees	Direct engagement with senior management, performance appraisals, internal communications (Quarterly/Annually/Ongoing)	Remuneration, employee benefits, workplace health and safety, career progression, training and development, job security	Fair remuneration policies, incentive schemes and salary reviews, health insurance and PPE provision, safety and technical training, structured performance evaluations, career development opportunities
Customers	Direct interaction, customer support, trade exhibitions, feedback channels, digital and printed communication (Ongoing/As required/24/7 support)	Product quality, service reliability, timely support, accessibility, after-sales service, ease of payment	Quality assurance processes, island-wide service support, responsive service culture, continuous product upgrades, extended warranties, flexible payment options, technical advisory services
Suppliers	Supplier evaluations, relationship management, site visits, ongoing engagement (Regular/As required)	Long-term partnerships, prompt payments, business continuity, transparent procurement processes	Structured supplier evaluation frameworks, timely payments, transparent procurement practices, constructive feedback, fostering collaborative and stable supplier relationships
Regulators	Regulatory compliance, site inspections, reporting and engagement (As required)	Compliance with legal and safety standards, adherence to fire safety regulations, contribution to policy development	Continuous compliance with regulatory requirements, system testing and upgrades, adherence to safety standards, supporting fire safety initiatives and regulatory frameworks
Government	Statutory filings, tax submissions, regulatory engagement (As required)	Timely payments, compliance, economic contribution, employment generation, foreign exchange earnings	Timely filing of returns and payments, compliance with all statutory requirements, contribution to national economy, supporting employment and industry development
Community	Local recruitment, community initiatives, fire safety awareness programmes (Ongoing/As required)	Employment opportunities, safety awareness, socio-economic support, community well-being	Recruitment from local communities, support for local businesses, fire safety education and awareness campaigns, maintenance of safety systems, contributing to safer environments

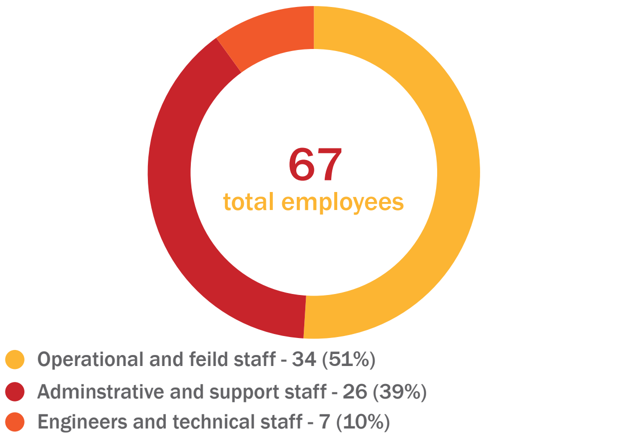
Human Capital Review

Overview...

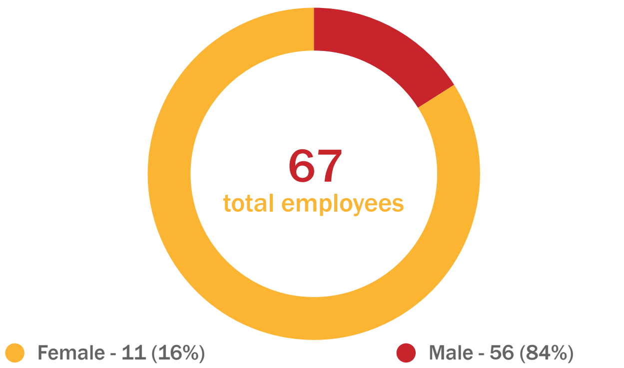
Human capital remains central to the operational effectiveness and long-term sustainability of Alpha Fire Services PLC. The Company's workforce is structured to support both technical service delivery and project execution, with a strong emphasis on engineering expertise, field operations capability and customer engagement. The Company continues to maintain a balanced workforce model that combines experienced personnel with new entrants, ensuring both continuity and adaptability.

As at the end of the financial year, the total workforce comprised:

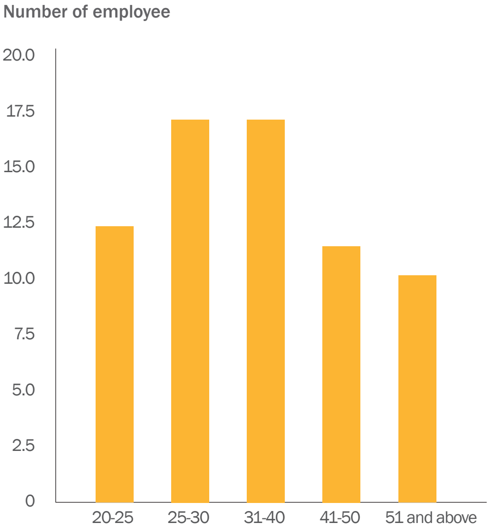
Employee headcount by category



Gender diversity breakdown



Employee age distribution



Talent Acquisition and Workforce Planning

Recruitment practices are aligned with the Company's operational needs and long-term strategic direction. Emphasis is placed on sourcing candidates who demonstrate both technical competence and alignment with organisational values. The recruitment process is structured and collaborative, involving the Human Resources function alongside departmental leadership to ensure that hiring decisions meet both functional requirements and broader business objectives.

Candidate evaluation extends beyond academic and professional qualifications to include behavioural attributes such as adaptability, problem-solving ability, and willingness to learn.

This approach enables the Company to build a workforce that is technically capable, culturally aligned and responsive to the evolving demands of the fire protection industry.

At the same time, workforce planning incorporates internal talent development as a key pillar. Employees are provided with opportunities for progression based on performance, experience, and demonstrated potential. This internal mobility supports retention, strengthens institutional knowledge, and contributes to long-term organisational stability.

Learning and Development

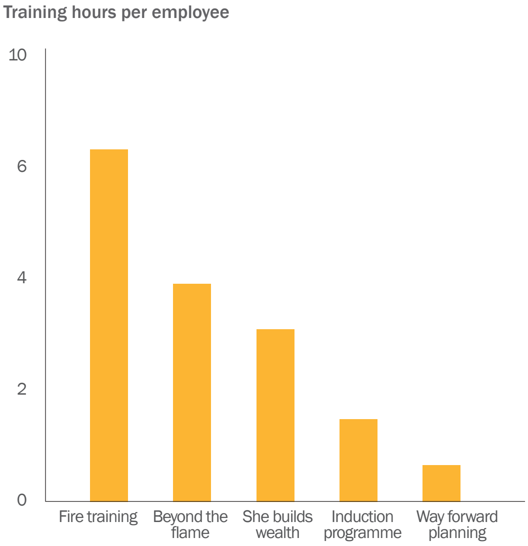
Continuous learning remains a core component of human capital development, particularly given the technical nature of the Company's operations. During the year, a series of structured training and development initiatives were conducted across multiple levels of the organisation:

- Induction Programmes: All new recruits participated in structured onboarding sessions covering organisational policies, operational procedures, safety standards, and role expectations. These programmes support smooth integration and early alignment with Company standards.
- Employee Engagement and Leadership Development: The "Beyond the Flame" programme, conducted under the guidance of corporate trainer Mr. Kishu Gomes, focused on enhancing motivation, strengthening teamwork, and encouraging performance-driven behaviours.
- Financial Literacy and Inclusion: In collaboration with Ambeon Securities, the "She Builds Wealth" initiative was conducted in line with International Women's Day. This programme focused on financial planning, investment awareness, and long-term wealth creation, particularly targeting female employees.
- Technical and Safety Training: Fire safety training sessions were conducted to reinforce technical competencies, operational safety, and compliance requirements. These sessions are aligned with the Company's core service offering and ensure readiness for both internal and client-facing operations.

Collectively, these initiatives reflect a structured approach to capability building, combining technical training with personal development and employee engagement.

PROGRAMMES CONDUCTED 5	EMPLOYEES COVERED 67
AVG. HOURS/EMPLOYEE 16.9	TOTAL TRAINING INVESTMENT 1,100 hrs

Avarage Traning Hours per employee, by programme



Performance Management and Rewards

A structured performance management framework is in place to align individual performance with organisational objectives. The system is based on clearly defined Key Performance Indicators (KPIs) and role-specific targets, with evaluations conducted by immediate supervisors to ensure relevance and accuracy.

Formal performance appraisals are conducted on an annual basis, forming the basis for salary increments and career progression decisions. The process is designed to ensure fairness, consistency, and recognition of individual contributions.

In addition to annual evaluations, continuous feedback mechanisms are embedded within day-to-day operations. Regular communication between supervisors and employees enables timely identification of performance gaps and supports corrective action.

Performance management is closely linked to employee development. Skill gaps identified during evaluations are addressed through targeted training programmes, ensuring that employees remain aligned with evolving industry standards.

The Company also operates a performance-based incentive scheme, where employees are rewarded monthly based on

Human Capital Review

achievement of defined targets. This approach reinforces accountability and encourages sustained high performance.

Employee Engagement, Welfare and Well-being

Employee welfare is supported through a combination of structured policies, benefits, and engagement initiatives. The Company provides fair remuneration, statutory benefits, and a stable working environment designed to support employee well-being. Open communication is encouraged through formal mechanisms such as an Open Door Policy and Grievance Handling Procedures. These frameworks enable employees to raise concerns and seek timely resolution, fostering a culture of transparency and trust.

Employee engagement initiatives are conducted periodically to enhance morale and strengthen organisational culture. These programmes contribute to improved teamwork, motivation, and overall employee satisfaction.

During periods of operational disruption, including the recent Ditwah situation, additional measures were introduced to support employee well-being. Flexible working arrangements and work-from-home options were implemented where feasible, ensuring both employee safety and continuity of operations.

Support for Ditwah Flood Relief

The Company contributed to relief efforts for communities affected by the Ditwah floods, supporting those in need during the challenging period.

Stationery Distribution to Employees' Children

The Company distributed stationery packs to the children of employees, supporting their education and well-being.

Dansal 2026

The Company organised a Dansal as part of its community engagement initiatives, promoting togetherness and goodwill.

Health and Safety

Health and safety remain critical priorities, given the operational nature of the Company's activities. Training programmes focused on fire safety and risk management are conducted regularly to ensure that employees are equipped to operate in potentially hazardous environments. These programmes reinforce compliance with safety standards and support safe practices both within the workplace and at client sites.

Additional safety measures are implemented in response to external conditions, ensuring that employee well-being is prioritised at all times.

Diversity, Equity and Inclusion

The Company promotes an inclusive workplace that values diversity and equal opportunity. Recruitment and career progression are based on merit, capability, and performance, ensuring fair access to opportunities across the organisation.

Initiatives such as the "She Builds Wealth" programme reflect a growing focus on financial empowerment and inclusion, particularly for female employees.

Woman management roles

- Female - 2(29%)
- Male - 5(71%)

Human Capital Challenges and Response

The year presented several challenges linked to external conditions. Operational disruptions arising from the Ditwa situation affected workforce availability and logistical coordination. In parallel, geopolitical developments, including tensions linked to the USA-Iran conflict, contributed to volatility in fuel prices, increasing transportation and operational costs. These factors required adaptive workforce management and cost control measures. Key responses included implementation of flexible work arrangements to support employee well-being; continuous communication to manage employee concerns; and operational adjustments to maintain service continuity. These actions ensured stability in workforce performance while maintaining service delivery standards.

Human Capital Strategy and Priorities

Human capital priorities for the forthcoming financial year are aligned with the Company's growth strategy and operational requirements. Key focus areas include:

- Employee Well-being: Introduction of a comprehensive health benefits scheme to enhance employee protection and support retention
- Digital Transformation (HRIS): Implementation of a Human Resource Information System to improve efficiency in employee data management, payroll, attendance tracking and reporting
- Capability Development: Expansion of structured training programmes to strengthen both technical and managerial competencies

These initiatives reflect a shift towards a more structured, data-driven and employee-centric HR framework.

Looking Ahead

Human capital remains a core enabler of Alpha Fire Services PLC's operational performance and future growth. A balanced approach to recruitment, development and retention has supported the Company in maintaining a capable and committed workforce

ARCHITECT 2026 Exhibition

(20 – 22 February 2026 | BMICH, Colombo)

Alpha Fire Services PLC proudly participated in ARCHITECT 2026, Sri Lanka's premier architectural and construction industry exhibition, held from 20th to 22nd February 2026 at BMICH Colombo.

The Company showcased its comprehensive range of fire detection, fire protection, and life safety solutions through an interactive exhibition stall. The event provided an excellent platform to engage with architects, consultants, developers, contractors, and industry professionals while demonstrating Alpha Fire Services PLC's expertise and successful project implementations.

Intersec 2026 – Dubai

12 – 14 January 2026 | Dubai World Trade Centre, UAE

Alpha Fire Services PLC attended Intersec 2026, the world's leading trade exhibition for security, safety, and fire protection, held from 12th to 14th January 2026 at the Dubai World Trade Centre, United Arab Emirates.
The event brought together global industry leaders, technology innovators, manufacturers, distributors, and professionals from the safety and fire protection sectors. Participation in Intersec 2026 enabled the Company to explore emerging technologies, gain insights into international industry trends, and strengthen relationships with global partners and suppliers.

Through active engagement and networking opportunities, Alpha Fire Services PLC enhanced its industry knowledge and reaffirmed its commitment to delivering innovative, world-class fire safety solutions to customers across Sri Lanka.

These interactions support the Company's continuous efforts to stay at the forefront of technological advancements and industry best practices in fire protection and life safety systems.

Corporate Governance

Introduction...

Alpha Fire Services PLC maintains strong corporate governance through effective Board oversight, independent directors, robust risk management, regulatory compliance, and dedicated Board Committees. The Company promotes transparency, accountability, ethical conduct, stakeholder engagement, and ESG considerations, supporting sustainable growth, organizational resilience, and long-term stakeholder value

Alpha Fire Services PLC views strong corporate governance as an essential pillar of organisational resilience, disciplined execution and sustainable value creation. The Company remains committed to maintaining a governance framework that promotes transparency, accountability and responsible leadership while supporting effective decision-making and reinforcing confidence among shareholders, customers, employees and the wider business community.

The Board of Directors provides strategic oversight through a well-defined governance and risk management architecture designed to ensure prudent stewardship of the Company's operations and long-term direction. This framework fosters a culture of integrity, accountability and ethical conduct throughout the organisation while ensuring adherence to applicable regulatory requirements, industry standards and internal policies.

Recognising the growing importance of sustainability within the corporate landscape, the Company continues to embed environmental and social considerations into its operational and strategic decision-making processes. Through effective governance practices, proactive risk management and a commitment to responsible business conduct, Alpha Fire Services PLC remains well positioned to navigate an evolving operating environment, respond to emerging risks and opportunities and deliver sustainable outcomes for all those connected to the business.

Regulatory	• Companies Act No.7 of 2007, • Sri Lanka Accounting and Auditing Standards Act No 15 of 1995 • Continued Listing Requirements of the Colombo Stock Exchange • The Shop and Office Employees Act No. 15 of 1954 • Factories Ordinance No. 45 of 1942 • Inland Revenue and other relevant acts
Internal Documents	• Articles of Association • Policy framework
Voluntary Standards, Codes & Frameworks	• Policy framework Quality standard certifications obtained by companies
Key Governance Practices	• Balance of power established with Non-Executive Directors of whom 03 are independent • Annual evaluation of the effectiveness of the board

Governance Structure

The governance framework of Alpha Fire Services PLC is designed to ensure effective oversight, accountability, and transparency in the conduct of its business activities. The Board of Directors is supported by three dedicated Committees that assist in fulfilling its governance responsibilities, enhancing oversight, and promoting best practices in corporate governance.

Board of Directors

The Board of Directors of Alpha Fire Services PLC comprises a highly qualified and diverse group of professionals who provide strategic direction and effective oversight of the Company's affairs. The Board's collective expertise, industry knowledge, and leadership experience contribute significantly to the Company's long-term growth, resilience, and sustainable success.

Board members are selected based on their professional competence, industry experience, and leadership capabilities. The composition of the Board reflects a balanced blend of expertise from the fire protection and safety services sector, together with professionals possessing extensive knowledge in finance, operations, legal affairs, governance, and other key business disciplines.

This diversity of skills and perspectives enables the Board to make well-informed decisions, effectively manage risks, and support the achievement of the Company's strategic objectives while safeguarding the interests of all stakeholders.

The Board comprises Six Directors, including four Independent Non-Executive Directors who provide independent judgment and constructive challenge in the Board's decision-making process. Their involvement supports the principles of transparency, accountability, and good governance while reinforcing the effectiveness of Board oversight.

The balanced composition of the Board facilitates informed and objective decision-making, ensuring that the interests of shareholders and other stakeholders are appropriately represented and safeguarded.

Board Membership

The Board of Directors of Alpha Fire Services PLC comprises a balanced mix of Executive, Non-Executive, and Independent Non-Executive Directors, providing a broad range of expertise and perspectives to support effective governance and strategic decision-making.

- Mr. A.U.A. Menaka Athukorala - Chairman
- Mr. K.M.A. Viraj Fernando - Managing Director
- Mr. J.A. Rayner Wijeyesinghe - Executive Director
- Mr. D.M. Weerasekare - Independent Non-Executive Director
- Mr. M.D.J. Ravi Goonetilleke - Independent Non-Executive Director
- Mr. T.R.G. Kalamulla Independent - Non-Executive Director

The composition of the Board ensures an appropriate balance between executive leadership and independent oversight, promoting sound governance, objective decision-making, and the protection of stakeholder interests.

Roles and Responsibilities of the Board of Directors

Chairman

The Chairman provides leadership to the Board and plays a key role in guiding the Company's strategic direction. The Chairman is responsible for ensuring the effective functioning of the Board and facilitating informed decision-making, while overseeing the implementation of approved strategies and policies.

Managing Director

The Managing Director is accountable to the Board for the overall performance, strategic direction, and long-term growth of the Company. He provides leadership in formulating and executing the Company's strategic objectives, oversees operational performance, and ensures that the business is managed effectively in line with the Board's approved policies and objectives.

Corporate Governance

Independence of Non-Executive Directors

Independent Non-Executive Directors play a vital role in strengthening the Company's governance framework by providing objective judgment and independent oversight. Their independence supports balanced decision-making, enhances transparency and accountability, and helps ensure compliance with applicable laws, regulations, and governance standards. Through their contribution, the Board is better positioned to safeguard the interests of shareholders and other stakeholders.

Appointment and Re-election of Directors

Appointment of Directors

The Company follows a structured process for the appointment of Directors to the Board. Upon the appointment of a new Director, the Company promptly notifies the Colombo Stock Exchange and provides all relevant disclosures in accordance with applicable regulatory requirements. Such disclosures include the Director's professional qualifications, experience, areas of expertise, directorships held in other entities, memberships of Board Committees, and the nature of the appointment.

Re-election of Directors

Directors appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment, in accordance with the Company's Articles of Association and applicable regulatory requirements. Thereafter, Directors retire and offer themselves for re-election as prescribed by the governing regulations and corporate governance guidelines.

Engagement with Shareholders

The Board is committed to maintaining transparency and accountability by providing shareholders with a balanced, fair, and comprehensive assessment of the Company's financial position, operational performance, and future prospects. In fulfilling this responsibility, the Company places strong emphasis on the timely, accurate, and relevant disclosure of information.

To foster effective stakeholder engagement, the Company maintains regular communication with shareholders through a variety of channels, ensuring that they remain informed of significant developments, strategic decisions, and business performance.

In addition, shareholders have direct access to the Company Secretary, who serves as a point of contact for information requests and shareholder feedback. Suggestions and concerns raised by shareholders are communicated to the Board where appropriate, contributing to informed decision-making and enhanced corporate governance.

Company Secretary

Company secretarial services are provided by Ms. Shama Ismail. The Company Secretary plays a key role in supporting the Board by coordinating Board and Committee meetings, facilitating the timely distribution of meeting materials, maintaining accurate records of proceedings, and ensuring compliance with all statutory and regulatory filing requirements.

The Company Secretary also advises Directors on corporate governance matters, Board procedures, and their legal and regulatory responsibilities, enabling them to effectively discharge their duties.

In addition, the Company Secretary is responsible for coordinating Annual General Meetings and Extraordinary General Meetings, managing shareholder communications, and ensuring the timely dissemination of required disclosures and announcements to the Colombo Stock Exchange and other relevant stakeholders

Appointment of the Company Secretary and Board Committees

The appointment and removal of the Company Secretary are matters reserved for the Board and are decided collectively by the Directors.

Board Committees

The Company's commitment to strong corporate governance is demonstrated through the establishment of key Board Committees, each entrusted with specific responsibilities and areas of oversight. These Committees support the Board in the effective discharge of its duties by providing focused attention to critical aspects of the Company's operations, governance, risk management, and decision-making processes.

Through their collective expertise and independent oversight, the Committees contribute to maintaining high standards of corporate governance, transparency, accountability, and ethical conduct across the organization.

To assist in carrying out its responsibilities effectively, the Board has established the following three principal Committees:

Annual	Annual Report
	Annual General Meeting
Quarterly	Interim Finacial Statments
	Announcements to CSE
Monthly	Company website updates
	Social Media platforms
	Press Releases

Remuneration Committee

Related Party Transaction Review Committee

Audit Committee

Committee Name	Composition	Name Mandate and Responsibilities
Audit Committee		Ensuring the integrity of the company's financial reports by having oversight of internal control, the financial reporting process and compliance with regulatory matters as given in the Audit Committee Charter. Setting out high standards of corporate disclosure, corporate responsibility, integrity and accountability to the shareholders. Adherence to legal and regulatory requirements, including the Companies Act and other relevant financial reporting regulations. Assessing the independence and effectiveness of the external auditor. **Refer to page 56 for Audit Committee Report**
Remuneration Committee		Recommending remuneration of the Executive Directors including the Managing Director and members of the Executive Committee. Setting the broad parameters of remuneration for senior executives. The Committee is dedicated to ensuring that the total remuneration package is competitive, aiming to attract the best talent for the benefit of the company. **Refer to page 64 for Remuneration Committee Report**
Related Party Transaction Review Committee		Ensuring that the interests of the shareholders are taken into account when entering into related party transaction. Providing measures to prevent Directors, Managing Director or substantial shareholders from taking advantage of their position. The Committee independently reviews all related party transactions to ensure the company's compliance with the rules outlined in the SEC's Code of Best Practice. **Refer to page 58 for Related Party Transactions Review Committee Report**

Corporate Governance

Accountability and Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities by reviewing the Company's financial statements to ensure their accuracy, completeness, and compliance with applicable accounting standards and regulatory requirements. Following its review, the Committee recommends the financial statements to the Board for approval.

To promote transparency and keep stakeholders informed, the approved financial statements and related financial reports are published on a quarterly basis through disclosures to the Colombo Stock Exchange and made available on the Company's corporate website.

External Auditor

The External Auditor is appointed by the shareholders at the Annual General Meeting (AGM) and is responsible for providing an independent opinion on the Company's financial statements.

The Audit Committee oversees the independence, objectivity, and effectiveness of the External Auditor and the audit process, ensuring compliance with applicable professional standards and regulatory requirements. As part of its oversight responsibilities, the Committee regularly assesses the Auditor's performance and reviews the scope and quality of the audit engagement.

The Audit Committee also evaluates and approves any proposed non-audit services to be provided by the External Auditor, taking into consideration the potential impact of such engagements on the Auditor's independence and objectivity. The Committee ensures that any additional services do not impair the External Auditor's ability to perform audit responsibilities in an independent and unbiased manner.

Annual General Meeting (AGM)

The Annual General Meeting (AGM) serves as an important forum for shareholder engagement, providing shareholders with the opportunity to gain a comprehensive understanding of the Company's performance, strategy, and future outlook as presented by the Chairman and the Board.

Members of the Board and the Chairpersons of the Board Committees attend the AGM and are available to respond to shareholder queries and address any concerns raised during the meeting.

The Notice of AGM, Annual Report, Financial Statements, and any proposed resolutions, together with all relevant explanatory information, are circulated to shareholders at least 21 days prior to the meeting, enabling them to make informed decisions on matters requiring approval.

Each item of business is presented as a separate resolution to facilitate independent consideration and voting by shareholders. The voting procedures applicable to the AGM are communicated to shareholders in advance, and the Company maintains a transparent process for recording and counting all proxy votes received for each resolution.

Where a significant proportion of votes are cast against a resolution, the Board considers the underlying concerns expressed by shareholders and determines whether any further action or engagement is required.

The results of voting on each resolution are announced promptly following the conclusion of the AGM and are communicated to the Colombo Stock Exchange in accordance with applicable regulatory requirements.

Managing Conflicts of Interest

Upon appointment, Directors are required to disclose their business interests and any potential conflicts of interest. Directors are also required to update these disclosures whenever there are material changes. The Company Secretary maintains a Register of Directors' Interests and ensures that it is kept up to date.

Details of Directors' interests and related disclosures are provided on pages 60 to 63 of this Annual Report.

Managing Conflicts of Interest

Directors who have a direct or indirect interest in matters under consideration by the Board are required to disclose such interests and abstain from participating in the relevant discussions and decision-making process. Where appropriate, such Directors excuse themselves from the meeting for the duration of the deliberations to ensure objectivity and independence in Board decisions.

Related Party Transactions are reviewed on a quarterly basis by the Related Party Transactions Review Committee. The Committee evaluates and approves such transactions, ensuring that they are conducted on an arm's length basis and that all required disclosures are made in compliance with applicable regulatory requirements.

Details of Related Party Transactions are disclosed in Note 12 to the Financial Statements on page 93 of this Annual Report.

Effective Meetings

Board meetings are conducted in accordance with an annual meeting calendar approved by the Board, with additional meetings convened as necessary to address urgent or significant matters. To facilitate informed decision-making, relevant Board papers and supporting documentation are circulated to Directors at least seven days prior to each meeting, allowing sufficient time for review and clarification.

Key agenda items regularly considered by the Board include business performance, strategic initiatives, risk management, internal controls, corporate governance matters, and the review of financial statements.

Meetings and Attendance

The number of meetings held during the year by the Board, the Audit Committee, the Remuneration Committee, and the Related Party Transactions Review Committee, together with the attendance of individual members, are set out below.

Tables

Name of the Directors	Board	Audit Committee	Remuneration Committee	Related Party Transaction Review Committee
Mr. Duminda Mahali Weerasekare	✓	✓	✓	✓
Mr. Mestiyage Don Janaka Ravi Goonetilleke	✓	✓	✓	✓
Mr. Thira Ravindu Gajavikum Kalamulla	✓	✓	✓	✓

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

Code Ref	Requirement	Complied	Reference with the Report
A-1	Requirement Directors An Effective Board should direct, lead and control the Group	Yes	The Board of Directors
A-1.1	Regular Board meetings, provide information to the Board on a structured and regular basis	Yes	Board Meeting
A-1.2	Role and Responsibilities of the Board	Yes	Key Board Responsibilities
A-1.3	Act in accordance with laws of the Country and obtain Independent professional advise as where necessary	Yes	Compliance Board Directors Access to Information and Resources
A-1.4	Access to advice and services of the Group Secretary	Yes	Board Secretary
A-1.5	Independent judgment	Yes	Board Meetings
A-1.6	Dedicate adequate time and effort to matters of the Board and the Group	Yes	Board Meetings
A-1.7	Calls for resolutions by at least 1/3rd of Directors	Yes	Board Meetings
A-1.8	Board Directors Access to Information and Resources	Yes	Board induction and Training
A-2	Chairman and CEO	Yes	Division of Responsibilities
A-3	Chairman's role in preserving good corporate governance	Yes	Division of Responsibilities
A-4	Availability of financial acumen	Yes	Board Composition
A-5	Board Balance	Yes	Board Composition
A-5.1	The Board should include sufficient number of NEDs	Yes	Board Composition
A.5.2.& A.5.3	Independence of Directors	Yes	Independence

Corporate Governance

Code Ref	Requirement	Complied	Reference with the Report
A-5.4	Annual declaration of independence by Directors	Yes	Independence
A-5.5	Annual determination of independence of NEDs	Yes	Independence
A-5.6	Alternate Directors	Yes	The Board does not have any Alternate Directors
A-5.7	Senior Independent Director (SID)	Yes	Statement by the Senior Independent Director
A-5.8	The SID should make himself available for confidential discussions with other directors Report from SID	Yes	Statement by the Senior Independent Director
A-5.9	Annual meeting with NEDs	Yes	Chairman meets with NEDs on an informal basis
A-5.10	Recording of dissent in minutes	Yes	Board Meetings
A-6	Supply of Information	Yes	Board Directors Access to Information and Resource
A-7.1	Establishing a Nominations and Governance Committee, Chairman and Terms of efference	Yes	Nominations and Governance Committee Report on page 32
A-7.2	Annual assessment of Board composition	Yes	Board Changes
A-7.3	Succession plan for MD, CEO and KMPs	Yes	Nominations and Governance Committee Report on page
A-7.4	Disclosures on appointment of new directors	Yes	Board Changes
A-7.8	Directors to submit themselves for reelection	Yes	Board Changes
A-7.9	Appraisal of Board and sub- Committee Performances	Yes	Board and Sub Committee Evaluation
A-7-10	Annual Report to disclose specified information regarding Directors	Yes	Board Profiles Meetings and Attendance Conflict of Interests Board Sub Committees Number of directorships held in Sri Lankan companies and their names
A-7-11	Appraisal of the Managing Director	Yes	Evaluating the Performance of the Managing Director/CEO
B	Directors Remuneration		
B-1	Establish process for developing policy on executive and director remuneration.	Yes	Directors Remuneration
B-2	Level and Make Up of Remuneration	Yes	Directors Remuneration
B-3	Disclosures related to remuneration in Annual Report Remuneration Policy statement Aggregate Board remuneration paid	Yes	Note 23.1 to Financial Statements Remuneration Committee report
C	Relation with Shareholders		
C-1	Constructive use of the AGM & Other General Meetings	Yes	Annual General Meeting (AGM)
C-2	Communication with shareholders	Yes	Shareholder Relations
C-3	Disclosure of major and material transactions	Yes	There were no major or material transactions during the year, which materially affected the net asset base of Group.

Code Ref	Requirement	Complied	Reference with the Report
D	Accountability and Audit		
D-1	Present a balanced and understandable assessment of the Group's financial position, performance, and prospects	Yes	Financial Reporting and Assurance
D-1-1	The board should present an annual report including financial, prepared in accordance with the relevant laws and regulations	Yes	Annual Report of the Board of Directors on the Affairs of the Company
D-1-2	Balanced and understandable communication	Yes	Financial Callender
D-1-3	CEO/CFO declaration	Yes	Managing Director's, Chief Executive Officer's and Director-Finance's Responsibility Statement
D-1-4	Directors Report declarations	Yes	Annual report of the Board of Directors on the Affairs of the Group
D-1-5	Financial reporting-statement on board responsibilities, Statement on internal control	Yes	Statement of Directors' Responsibility Directors' Statement on Internal Controls
D-1-6	Management Discussion & Analysis	Yes	Respective Capital Reports
D-1-7	In the event the net assets of the Company fall below 50% of the value of the Company's shareholders' funds, the directors shall forthwith summon an extraordinary general meeting of the company to notify shareholders of the position and of remedial action being taken	Yes	There has been no serious loss of capital to convene an EGM in terms of the Companies Act No. 7 of 2017.
D-1-8	Related Party Transactions	Yes	Notes 23 to Financial Statements
D-2	Process of risk management and a sound system of internal control to safeguard shareholders' investments and the Group's assets	Yes	Risk Management and Internal control Report of the Audit Committee Directors' Statement of Internal Control Risk & Opportunity Management
D-3	Audit Committee	Yes	Audit Committee Report
D-4	Risk Committee	Yes	Audit Committee Report
D-5	Related Party Transactions Review Committee	Yes	Related Party Transactions Review Committee report
D-6	Code of Business Conduct and Ethics	Yes	Conduct and Ethics
D-7	Corporate Governance Disclosures	Yes	Corporate Governance Report
	Shareholders		
E & F	Institutional and other investors	Yes	Communications with Shareholders Constructive use of AGM
G	Internet of Things & Cyber security	Yes	Information Technology (IT) and Digital Governance
H-1	The board should consider sustainability/ESG risk and opportunities	Yes	
H-2	The board and key management personnel should continuously engage with the views of its stakeholders to better understand and manage the company's sustainability/ESG risk and opportunities.	Yes	Risk and Governance

Corporate Governance

Code Ref	Requirement	Complied	Reference with the Report
H-3	The company should establish a governance framework and structure which includes conformance, performance and sustainability/ESG factors	Yes	Risk and Opportunity Management
H-4	The company's annual report should contain sufficient information to enable investors and other stakeholders to assess how ESG risks and opportunities are recognised, managed, measured and reported.	Yes	
I-1	Listed entities shall establish and maintain policies relating to its governance	Yes	Corporate Governance Report

Code of Ethics and Conduct

Alpha Fire Services PLC is committed to upholding the highest standards of integrity, professionalism, and ethical conduct in all aspects of its business operations. The Company's Code of Ethics and Conduct establishes the principles and standards that guide the behaviour and decision-making of Directors, management, and employees, ensuring that business activities are conducted in a fair, transparent, and responsible manner.

The Code serves as a framework for promoting an ethical culture throughout the organization, safeguarding the Company's reputation, and fostering trust among stakeholders. It provides clear guidance on expected standards of conduct and accountability across all levels of the Company.

The Code of Ethics and Conduct addresses, among other matters, the following areas:

- Conflicts of Interest
- Gifts, Hospitality, and Entertainment
- Relationships with Suppliers and Business Partners
- Self-Dealing and Related Party Transactions
- Non-Personal Conflicts of Interest
- Disciplinary Procedures and Corrective Actions

Compliance

The Company remains committed to maintaining high standards of corporate governance and regulatory compliance. The compliance status of Alpha Fire Services PLC with the Listing Rules of the Colombo Stock Exchange (Section 7.10) and the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (2017) is presented below.

Based on the disclosures and information presented above, the Board is satisfied that the Company has complied with the applicable provisions of the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Corporate Governance Rules of the Colombo Stock Exchange.

The Company remains committed to maintaining the highest standards of corporate governance and continues to adopt policies and practices that promote transparency, accountability, ethical conduct, and the protection of stakeholder interests.

Furthermore, the Board confirms that all statutory payments and obligations due to Government authorities, regulatory institutions, and employees have been duly settled within the prescribed timeframes. Based on its review, the Board is satisfied that the Company has complied with all applicable statutory, regulatory, and governance requirements and accordingly declares the Company to be fully compliant.

Mr. A.U.A. Menaka Athukorala
Chairman

Mr. K.M.A. Viraj Fernando
Managing Director

Risk Management

Building Organizational Resilience Through Structured Risk Intelligence

Heighlight...

Risk management is embedded into strategic planning and everyday operations rather than being treated as a standalone compliance exercise.
The Company maintains a balanced approach to risk—protecting value while supporting sustainable growth and innovation.

Investment in people, operational capability and governance continues to strengthen organizational resilience.
The Board remains committed to maintaining a robust risk culture that supports long-term shareholder value and stakeholder confidence.

Alpha Fire Services PLC operates at the intersection of life safety and commercial enterprise with a position that demands not only technical excellence but a mature, forward-looking approach to managing risk. In 2025/26, its risk management philosophy evolved significantly: from a reactive monitoring function into a proactive, Board-anchored discipline that is woven into strategic planning, operational management and stakeholder reporting.
This evolution is formalised through the Company's newly adopted Enterprise Risk Management (ERM) Policy, approved by the Board of Directors and effective January 2026. Grounded in the ISO 31000:2018 Risk Management Guidelines, the ERM Policy establishes the framework, principles, roles and processes through which Alpha Fire Services PLC identifies, assesses, treats, monitors and communicates risk across all areas of its operations.

Governance and Accountability

Effective risk governance begins at the top. The Board of Directors holds ultimate accountability for the integrity of the ERM framework, setting the organization's risk appetite annually and ensuring that material risks are escalated, debated and resolved at the appropriate level of authority. The Audit Committee provides independent oversight of the risk management system and internal controls, furnishing the Board with assurance on their effectiveness.
Day-to-day identification, assessment and management of controllable risks rest with the Executive Committee and Senior Management Team, who are charged with maintaining exposures within pre-defined thresholds, communicating risk policies through a robust monitoring system and reporting findings to the Board. This layered, three-tier governance structure ensures that risk awareness permeates every level of the organization and that no material exposure remains invisible to leadership.

ERM Statement

"Alpha Fire Services PLC manages risk not to eliminate it, but to understand it clearly, take it consciously, and ensure that the risks we carry are proportionate to the returns and benefits we expect and consistent with the values, obligations, and long-term ambitions of a leading Fire Services industry organization."

— AFS PLC Enterprise Risk Management Policy, 2025

Risk Management

Governance Layer	Key Responsibilities
Board of Directors	Sets and reviews risk appetite annually; ensures material risks are escalated, debated and resolved. Ultimate accountability for ERM framework integrity.
Audit Committee	Provides independent oversight of risk management systems and internal controls; furnishes the Board with assurance on their effectiveness.
Executive Committee & Senior Management	Day-to-day identification, assessment, and management of controllable risks; maintains exposures within pre-defined thresholds; reports findings to the Board.
CFO/Risk Register Custodian	Maintains the Risk Register as a controlled document; updated by the Senior Management Team and presented to the Board Committee annually; available to external auditors on request.

The AFS PLC ERM Framework

The Company's ERM framework is structured around five core elements drawn from the ISO 31000:2018 process, operating within a continuous cycle of Communication & Consultation and Monitoring & Review. The framework operates within the organization's governance structure and is embedded in strategic planning, operational management, and Board reporting.

#	Framework Element	Description
1	Establishing the Context	Defines the internal and external environment within which risks are identified and evaluated covering the Sri Lankan regulatory landscape, fire services sector dynamics, macroeconomic conditions, climate trends, stakeholder expectations, and the Company's mission, strategy, capabilities, and existing risk profile.
2	Risk Identification	A comprehensive identification exercise conducted at minimum annually, drawing on management workshops, incident and near-miss data, regulatory horizon scanning, ESG risk assessments, internal audit findings, and peer benchmarking. All risks are recorded in the AFS PLC Risk Register.
3	Risk Assessment	Each risk is scored on Likelihood (1–5) and Impact (1–5) to generate a combined risk priority rating: Low (1–4), Medium (5–9), High (10–16), or Very High (17–25). The rating determines the required management action and escalation pathway.
4	Risk Treatment	One of four treatment strategies is applied "Avoid, Mitigate, Transfer, or Accept" depending on the risk score, risk appetite, and the cost-benefit of available controls.
5	Monitoring, Reporting & Review	Structured reporting cycle linking day-to-day monitoring to Board-level oversight. The ERM Policy and framework are reviewed annually. All material changes in risk profile are communicated promptly to relevant stakeholders.

Risk Appetite and Tolerance

Alpha Fire Services PLC's risk appetite is formally defined as the amount and type of risk the organization is willing to accept in pursuit of its strategic objectives. The Board reviews and sets the risk appetite annually as part of the strategic planning process, updating its strategy, operating context, or financial position materially changes.

Appetite Level	Applicable Risk Categories
ZERO TOLERANCE	Environmental regulatory violations; Health and safety fatalities or serious injuries; Child or forced labour in operations or supply chain; Fraud, bribery, or corruption by employees or agents; Deliberate falsification of ESG, financial, or compliance data.
LOW APPETITE	Reputational damage; Regulatory non-compliance (other than zero-tolerance categories); Financial performance deviation from budget; Loss of key operating licenses.
MEDIUM APPETITE	Technology investment and innovation; New market or service line development; Strategic partnerships and joint ventures; Fire services business model evolution.
HIGHER APPETITE	Environmental innovation; Strategic advocacy and policy engagement — areas where AFS PLC actively embraces risk as a driver of competitive advantage and impact.

Risk Categories and Principal Exposures

Risks are categorised across five domains: Operational & Human Capital, Financial, Compliance & Governance, Environmental, and Social. The following section sets out the principal risk exposures assessed for the 2025/26 financial year, their potential impact on the Company, and the strategic approaches being applied.

People Risk | Risk Rating: High

Impact Description

Recruiting and retaining qualified technical staff remains a persistent challenge. Experienced fire protection engineers and specialist technicians increasingly pursue opportunities overseas, tightening the domestic talent pool and elevating wage costs. The combination of rising minimum wages increasing to Rs. 30,000 from 2025 and a declining economically active population has further compounded the challenge of maintaining the skilled in-house workforce that differentiates Alpha Fire from competitors reliant on subcontractors.

Strategic Approach

The Company invested 160 hours and Rs. 5 million in structured training and development during 2024/25, covering ISO 9001:2015 quality management, CIDA EM 01 certification, occupational health and safety, supervisory development, and internal auditing. Competitive remuneration, comprehensive benefit schemes, flexible work arrangements, and health insurance coverage underpin the Company's employee value proposition. Alpha Fire's differentiated in-house capability in addressable alarm systems reinforces the premium placed on talent retention.

Market Risk | Risk Rating: High

Impact Description

Intense competition in the specialised fire and safety equipment industry continues, with smaller operators offering lower contract prices. Cost-of-living pressures and the slow recovery of the construction sector, which was dampened for several years due to financial constraints and import restrictions have moderated demand growth in certain client segments.

Strategic Approach

The Company’s primary defense is brand strength and proven delivery at international standards. The year under review saw the successful delivery of an FM Approved factory fire system for a multinational client, an extremely rare achievement in Sri Lanka. Strategic focus on multinational and large-scale industrial facilities ensures a consistent project pipeline and stable maintenance income. The expansion into B2C markets through fire blankets, consumer-range extinguishers, and domestic gas pipe solutions broadens the revenue base.

Supply Chain Risk | Risk Rating: Medium

Impact Description

Global geopolitical tensions and logistics disruptions continue to affect the availability, lead times and costs of imported fire protection components and raw materials. Sri Lanka’s import-dependent supply chain for specialised fire equipment creates exposure to currency movements, shipping delays, and supplier concentration.

Strategic Approach

The Company has diversified its supplier base and maintains sufficient inventory buffers at itsPannipitiya, Polgasowita and Kandy facilities to absorb short-term supply disruptions. The strategic investment in the Company’s own workshop and inventory facilities at Polgasowita a milestone during 2025/26 provides greater operational control, reduces third-party dependency, and improves in-house servicing and fabrication capacity. The full relocation to the owned Polgasowita facility, anticipated in 2026/27, will further centralise resources, streamline processes, and reduce overhead exposure.

Financial Risk | Risk Rating: Medium

Impact Description

Fluctuating costs of doing business driven by electricity tariff increases, wage inflation, rising interest costs, and taxation continue to exert pressure on profitability and margins. Short-term bank borrowings, which increased during 2024/25 to support a growing project portfolio, introduce liquidity management considerations.

Risk Management

Strategic Approach

Alpha Fire maintained disciplined cash flow management during 2025/26, supported by strategic pricing initiatives, prudent resource allocation, and rigorous cost control contributing to a significant improvement in gross profit and that increases in profit after tax. The Company utilises multiple funding sources, maintains reserve liquidity, and applies rolling cash flow forecasts to manage short-term obligations. Trade receivables are closely monitored, with full provision applied to balances outstanding over 365 days. The planned consolidation into the owned Polgasowita facility will reduce rental overhead materially in 2026/27.

Business Continuity Risk | Risk Rating: Medium

Impact Description

The fire services business model carries inherent concentration risks reliance on a core group of specialist experts, key client relationships, and specialised suppliers. Any significant disruption to one or more of these dependencies could impair service delivery and revenue continuity.

Strategic Approach

The Company addresses this risk through deliberate client diversification, maintaining a balanced mix of multinational, corporate, and industrial clients with long-standing maintenance and service contracts providing a recurring income floor. The confirmed order book of over Rs. 500 million at close of 2025/26 provides meaningful forward revenue visibility. Succession planning, cross-training of technical staff, and ISO 9001:2015-certified quality management systems reduce reliance on individual expertise. International expansion into the Maldives and the development of a dedicated trading arm further diversify revenue streams.

Compliance and Regulatory Risk | Risk Rating: Low to Medium

Impact Description

As a listed entity on the Colombo Stock Exchange and a certified fire protection contractor operating under CIDA EM1 (ICTAD) status, Alpha Fire Services PLC is subject to an evolving body of regulatory obligations spanning corporate governance, financial reporting, building codes, fire safety standards, occupational health and safety, and environmental compliance. Non-compliance with any material requirement could result in license suspension, financial penalties, reputational damage, or loss of competitive advantage.

Strategic Approach

The Company's compliance posture is proactive. The Board confirmed full compliance with the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and the Colombo Stock Exchange Corporate Governance Rules during 2025/26. All statutory payments including EPF, ETF, and PAYE tax were made within stipulated periods. External audit oversight is provided by Messrs KPMG, Chartered Accountants, who issued a clean opinion on the financial statements for the year ended 31 March 2026.

Emerging Risk Considerations for 2025/26

As Alpha Fire Services PLC looks to the year ahead, several emerging areas warrant heightened risk attention and proactive management.

Emerging Risk	Consideration and Management Approach
International Expansion Risk	Planned entry into the Maldives market introduces regulatory, logistics, and market entry risks. Proactive engagement with in-country partners, legal advisors, and regulatory authorities is underway to ensure a structured, compliant market entry.
Technology and Digital Risk	Expanded use of digital marketing, social media campaigns and online client engagement introduces cyber security and data privacy considerations that require proportionate management as the Company's digital footprint grows.
ESG and Sustainability Risk	As stakeholder expectations around ESG performance continue to rise and as the Board formally integrates ESG risk consideration into its governance agenda, the Company will further develop its ESG risk identification and reporting capabilities in line with the ERM Policy. Company will get external support to align strategy with ESG during the 2025/26.
Climate and Environmental Risk	Globally, increasing fire risks associated with climate change are driving demand for advanced fire protection solutions, presenting both opportunity and operational risk as the Company scales its service capacity to meet growing demand across all sectors.

Moving Forward
with Trust

As we continue to grow, our commitment remains unchanged: delivering reliable protection, building lasting relationships, and creating a safer future for everyone.

Audit Committee Report

Introduction...

The Audit Committee of Alpha Fire Services PLC plays a vital role within the Company's corporate governance framework. Functioning as a Sub-Committee of the Board of Directors, the Committee provides independent oversight of financial reporting, risk management, internal controls, audit processes, and regulatory compliance. Through its responsibilities, the Committee supports the maintenance of transparency, accountability, and integrity across the Company's operations.

Committee Composition and Expertise

The Committee consists entirely of three Independent Non-Executive Directors, ensuring objectivity and balanced judgment in its deliberations. The Chairman of the Committee is a Chartered Management Accountant, bringing significant financial expertise to the role. The Company Secretary acts as Secretary to the Committee.

The members of the Audit Committee are:

- Mr. Duminda Mahali Weerasekare - Chairman (Independent Non-Executive Director)
- Mr. Thira Ravindu Gajavikum Kalamulla - Member (Independent Non-Executive Director)
- Mr. Mestiyage Don Janaka Ravi Goonetilleke - Member (Independent Non-Executive Director)

The Managing Director/Executive Director, Head of Finance, and representatives of the internal and external audit functions attended meetings by invitation when required, enabling comprehensive discussion on matters under review.

Meetings and Attendance

The Committee convened four meetings during the financial year. Attendance of the members was as follows:

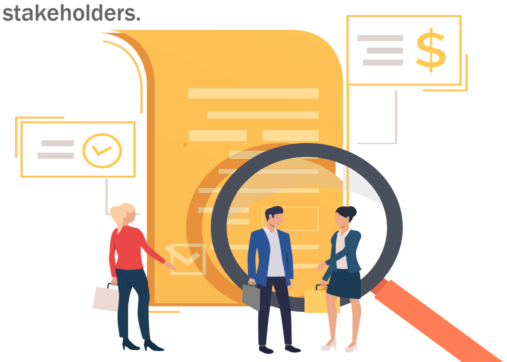
Member	Attendance
Mr. Nivran Weerakoon	2/2
Mr. Kapilla Liyanagamage	2/2
Mr. Duminda Mahali Weerasekare	2/2
Mr. Mestiyage Don Janaka Ravi Goonetilleke	2/2
Mr. Thira Ravindu Gajavikum Kalamulla	2/2

Key Responsibilities and Activities

During the year, the Committee focused on the following key areas:

Financial Reporting Oversight

- Reviewed the quarterly and annual financial statements to ensure accuracy, consistency, and compliance with Sri Lanka Accounting Standards.
- Assessed management representations and compliance declarations.
- Recommended the financial statements to the Board for approval prior to their release to shareholders and other stakeholders.



Risk Management and Internal Controls

- Evaluated the effectiveness of the Company's risk management framework and internal control systems.
- Reviewed significant financial and operational risks together with the mitigating actions implemented by management.
- Recommended enhancements to strengthen the overall control environment of the Company.

External Audit

- Engaged with Messrs. KPMG, Chartered Accountants, regarding the scope, approach, and findings of the statutory audit.
- Reviewed management's responses to audit observations and monitored corrective actions taken.
- Assessed the independence and objectivity of the external auditors, including consideration of non-audit services provided, and confirmed that auditor independence had not been compromised.

Internal Audit and Compliance

- Monitored the effectiveness and independence of the internal audit function.
- Reviewed internal audit reports and follow-up actions undertaken by management.
- Supported special investigations where necessary and ensured compliance with applicable legal and regulatory requirements.

Assurance to the Board

Based on the work performed during the year, the Audit Committee has provided assurance to the Board that:

- The financial reporting process of the Company remains reliable and transparent.
- Appropriate risk management and internal control systems are in place and functioning effectively.
- Both internal and external audit functions operate independently and professionally.
- The Company continues to comply with relevant legal, regulatory, and governance requirements.

Conclusion

The Audit Committee is satisfied that the Company maintains effective systems, processes, and controls to support its operations and governance objectives. The Committee remains committed to assisting the Board in safeguarding shareholder interests while upholding the highest standards of integrity, accountability, and corporate governance.

Mr. Duminda Mahali Weerasekare
Chairman – Audit Committee

Related Party Transactions Review Committee Report

Introduction...

The Related Party Transactions Review Committee (RPTRC) of Alpha Fire Services PLC was established by the Board of Directors in compliance with Section 9 of the Listing Rules of the Colombo Stock Exchange. The Committee is responsible for overseeing all related party transactions to ensure transparency, fairness, and adherence to applicable regulatory requirements.

Purpose and Scope

The primary purpose of the RPTRC is to protect the interests of shareholders by ensuring that all related party transactions are carried out in a fair and transparent manner.

- The Committee's key objectives include:
- Reviewing and approving related party transactions independently.
- Ensuring that transactions are conducted on normal commercial terms and conditions.
- Preventing any preferential treatment or undue benefit to Directors, Key Management Personnel, or major shareholders.

Roles and Responsibilities

The Committee performs the following functions in relation to related party transactions:

- Ensures compliance with the requirements set out in Section 9 of the Listing Rules of the Colombo Stock Exchange.
- Reviews and grants prior approval for related party transactions, except those specifically exempted under the applicable rules.
- Monitors ongoing related party dealings to ensure that such transactions are carried out on an arm's length basis and under standard commercial terms.
- Obtains relevant information and clarifications from management regarding the purpose, terms, and conditions of transactions.
- Seeks independent professional or expert advice whenever considered necessary.
- Reports its observations and recommendations to the Board of Directors on a regular basis.
- Coordinates with the Audit Committee by sharing relevant information to facilitate compliance with statutory and regulatory obligations.
- Recommends transactions requiring Board approval prior to execution where applicable.
- Undertakes any additional responsibilities assigned by the Board from time to time.

Committee Composition

The Related Party Transactions Review Committee consists of two Independent Non-Executive Directors.

The members of the Committee during the financial year under review were:

Member	Attendance
Mr. Nivran Weerakoon	2/2
Mr. Kapilla Liyanagamage	2/2
Mr. Duminda Mahali Weerasekare	2/2
Mr. Mestiyage Don Janaka Ravi Goonetilleke	2/2
Mr. Thira Ravindu Gajavikum Kalamulla	2/2

The Committee met four times during the financial year ended 31 March 2026.

Activities During the Year

During the financial year under review, the Committee carried out the following activities:

- Reviewed all related party transactions undertaken by the Company and reported its observations to the Board.
- Confirmed that no non-recurrent related party transactions exceeded the thresholds specified in the Listing Rules of the Colombo Stock Exchange.
- Verified that no recurrent related party transactions exceeded the prescribed percentage of Company revenue during the year.
- Ensured that all related party transactions were conducted on terms comparable to those offered to independent external parties.

Details of the related party transactions are disclosed in the Notes to the Financial Statements.

Committee Opinion

Based on the reviews conducted during the year, the Committee is satisfied that:

- Appropriate disclosures relating to related party transactions were made to the Board of Directors.
- All related party transactions were carried out in compliance with applicable laws and regulatory requirements.
- No related party transaction had an adverse impact on the interests of minority shareholders.

Declaration

The Related Party Transactions Review Committee confirms that it has fulfilled its responsibilities in accordance with its terms of reference and the Listing Rules of the Colombo Stock Exchange.
The Board of Directors has also provided its declaration relating to compliance with related party transaction requirements in the Report of the Board of Directors appearing on page 97 of this Annual Report.

Mr. Duminda Mahali Weerasekare
Chairman – Related Party Transactions Review Committee

Report of the Board of Directors on the Affairs of the Company

Introduction...

Please add the below introduction - Alpha Fire Services PLC reported strong growth in 2026, with revenue increasing to Rs. 503.2 million and net profit to Rs. 51 million. The Company maintained sound governance, risk management and compliance employed 67 people, and continued its commitment to quality fire protection services.

The Board of Directors of Alpha Fire Services PLC have pleasure in presenting the Annual Report together with the Audited Financial Statements of the Company for the year ended 31 March 2026.

This Annual Report contains information on the affairs of the Company as required by the Companies Act No. 07 of 2007, Listing Rules of the Colombo Stock exchange and recommended best practices.

The Financial Statements were reviewed and approved by the Board of Directors on 31st August 2026.

General

Alpha Fire Services PLC was incorporated in Sri Lanka on May 07, 2003 and re-registered on October 16, 2007 as a Private Limited Liability Company under the provisions of Companies Act No. 7 of 2007. The legal form of the company was changed from Limited Company to Public Listed Company under provision of the Section 8 of the Companies Act No. 07 of 2007 on July 04, 2022.

Principal Activities

The principal activities of the company include the supply, installation, commission and maintenance of fire alarm systems, fire hydrant systems, fire hose reel systems, sprinkler systems, fire flex systems, fire suppression systems, fire doors, kitchen hood fire suppression systems, fire extinguishers and gas lines. The Company also designs and consults on installation of fire systems as per local fire authority and NFPA standards and conducts fire trainings. This Report together with the Financial Statements, reflect the state of affairs of the Company.

Review of Operations

An analysis of the operations of the Company during the financial year under review is given in the Chairman's Review on pages 14 to 16 and the Management Discussion on pages 26 to 35.

Financial Statements
The financial statements appearing in this report have been prepared by the Sri Lanka Accounting Standards full IFRS, issued by the Institute of Chartered Accountants of Sri Lanka.

The Company operates in compliance with the requirements of the Companies Act No.07 of 2007 and the listing rules of the Colombo Stock Exchange.

In addition to all the relevant legal and regulatory frameworks and charters, Alpha Fire Services PLC also endorses and/or subscribes to the code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

The Financial Statement duly signed by the Head of Finance and two Directors of the Company on behalf of the Board and Auditors, forms an integral part of the Annual Report of the Board of Directors. The complete Financial Statements are given on pages 70 to 73.

Summary of the Financial Results

Year ended 31 March 2026	25/26	24/25
Revenue	503,189,119	416,270,509
Net profit for the year	51,971,029	41,432,483

Directors' Responsibility for Financial Reporting
The Statement of Directors' Responsibility reflects a true and fair view of the performance and financial position of the group. It is given on page 60 and forms an integral part of the Annual Report of the Board of Directors.

Auditors' Report
Messrs. KPMG, the Auditors of the Company carried out the audit on the Financial Statements for the year under review. The Report of the Auditors on the Financial Statements of the Company is given on pages 66 to 102.

Accounting Policies
The financial statements of the Company have been prepared in accordance with the Sri Lanka Accounting Standards for Small and Medium Enterprises, SLFRSs for SMES . The significant accounting policies adopted in the preparation of financial statements are given on pages 74 to 84.

Directors
The names of the Directors who held office as at 31 March 2026 are given below and their brief profiles appear on pages 22 to 23.

Executive Directors
- Mr. Kurukulasooriya Mark Anthony Viraj Fernando
- Mr. Jerome Anthony Rayner Wijeyesinghe

Independent Non- Executive Directors
- Mr. Athukorala Udamullage Asantha Menaka Athukorala
- Mr. Mestiyage Don Janaka Ravi Goonetilleke
- Mr. Thira Ravindu Gajavikum Kalamulla
- Mr. Duminda Mahali Weerasekara

Directors' Remuneration
The Directors' remuneration is disclosed in Note 23.1 to the Financial Statements on page 97.

Directors' Responsibility in Financial Reporting
The Directors are responsible for the preparation of Financial Statements of the Company to reflect a true and fair view of the state of its affairs. The Directors are of the view that these financial statements have been prepared in conformity with requirements of the Sri Lanka Accounting Standards, the Companies Act No.7 of 2007 and the Listing Rules of the Colombo Stock Exchange
The Statement of Directors' Responsibility for Financial Reporting is given on page 70.

Report of the Board of Directors on the Affairs of the Company

Share Information

The relevant interests of Directors in the shares of the Company as at 31st March 2026 and 31st March 2025 are as follows:

Member of the Board	Shares held as at 31 March 2026	Shares held as at 31 March 2025
Mr. Kurukulasooriya Mark Anthony Viraj Fernando	10,000	Nill
Mr. Jerome Anthony Rayner Wijeyesinghe	Nill	Nill
Mr. Athukorala Udumulla Asantha Menaka Athukorala	Nill	Nill
Mr. Duminda Mahali Weerasekara	Nill	Nill
Mr. Mestiyage Don Janaka Ravi Goonethileke	Nill	Nill
Mr. Thira Ravindu Gajavikum Kalamulla	Nill	Nill

There were 925 shareholders registered as at 31st March 2026 after the company was publicly listed at the Colombo Stock Exchange in 2022 (7 shareholders as at 31st March 2023).

Information on the distribution of shareholding, market values per share, earnings, dividends, net assets per share, largest shareholders of the Company, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on page 103 under Share Information

Delegation to Board Members

The Board has delegated certain functions and duties to Sub Committees that comprise of Board members. The functions and duties of each sub committee is detailed in the respective reports. They include:

- Audit Committee
- Remuneration Committee
- Related Party Transactions Review Committee.

The Board is also encouraged to seek independent professional advice, when necessary, at the company's expense and also have access to the company Secretary to obtain advice and services as and when necessary.
Independent Auditors

Messrs. KPMG, Chartered Accountants served as the Auditors during the year under review and also provided non audit/consultancy services. They do not have any interest in the Company other than that of Auditors.

A total amount of Rs. 1.8 Mn as Audit fee is payable by the to Messrs KMPG for the services rendered during the year under review.

Property and Equipment

Details and movements of property and equipment are given under Note 04 to the Financial Statements.

Capital Expenditure

The total capital expenditure during the year amounted to Rs. 9.2 Mn on property, plant and equipment compared to Rs. 16.2 Mn incurred in the previous year.

Risk Management

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company. As part of the governance process, the Board continuously reviews and evaluates the internal controls and risks of the company and takes necessary measures required to mitigate risk. Specific steps taken by the Company in managing the risks are detailed in the section on Risk Management on pages 51 to 54.

Corporate Governance

The Board continued to place importance on sound corporate governance practices and is committed to the highest standards of corporate governance within the organization.

The Directors are of the view that the Company is in compliance with the Corporate Governance Rules contained in the Listing Rules of the Colombo Stock Exchange.

The report on Corporate Governance is given on pages 42 to 50 of the Annual Report.

Audit Committee

The Audit Committee comprises of three Non-Executive Independent Directors.

The Report of the Audit Committee is given separately in the Annual Report detailing the functions and duties of the Committee and the specific objectives met in the financial year under review.

Employment Policy
The Company has a non-discriminatory employment policy and provides career opportunities irrespective of gender, race and religion.

As at 31 March 2026, 67 persons were in employment.

There were no material issues pertaining to employees and industrial relations during the financial year.

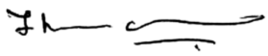
Statutory Payments
The Directors confirm that to the best of their knowledge, all statutory payments including EPF, ETF, and PAYE tax have been made within the stipulated periods during the financial year.

Going Concern
After making adequate enquiries from the management, the Directors are satisfied that the company has adequate resources to continue its operations in the foreseeable future.

Annual General Meeting
Notice of the Annual General Meeting appears on page 104.

This Annual Report is signed for and on behalf of the Board of Directors by:

K.M.A. Viraj Fernando
Managing Director



Ms. Shama Ismail
Corporate Secretary

31st August 2026

Remunerations Committee Report

Introduction...

The Remuneration Committee of Alpha Fire Services PLC was established in accordance with Section 9 of the Listing Rules of the Colombo Stock Exchange. The Committee functions as a Sub-Committee of the Board of Directors and is responsible for assisting the Board in developing and overseeing remuneration policies and practices for Executive Directors and Senior Management. The Committee aims to ensure that remuneration structures are fair, transparent, performance-driven, and aligned with the long-term interests of shareholders and the strategic objectives of the Company.

Authority and Responsibilities

The roles, responsibilities, and operating procedures of the Committee are governed by its Charter, which is periodically reviewed and approved by the Board of Directors.
The key responsibilities of the Committee include:

- Reviewing and recommending remuneration packages for Executive Directors, including salaries, allowances, benefits, and other incentives.
- Establishing general remuneration guidelines for Senior Management personnel.
- Ensuring remuneration structures are competitive and linked to individual as well as corporate performance.
- Considering market trends, industry standards, and governance practices when determining remuneration policies.
- Advising the Board on succession planning and retention strategies for key management personnel.
- Obtaining independent professional advice, where necessary, to support the Committee's decisions and recommendations.

All recommendations made by the Committee are subject to the approval of the Board of Directors.

Composition of the Committee

As at 31 March 2026, the Remuneration Committee consisted of the following members:

- Mr. Duminda Mahali Weerasekare – Chairman (Independent Non-Executive Director)
- Mr. Mestiyage Don Janaka Ravi Goonetilleke – Member (Independent Non-Executive Director)
- Mr. Thira Ravindu Gajavikum Kalamulla – Member (Independent Non-Executive Director)

The Chairman and the Managing Director/Chief Executive Officer attended meetings by invitation whenever required, except when matters concerning their own remuneration were being discussed.

Mrs. F.S.I Mohamed served as Secretary to the Committee. Minutes of Committee meetings were circulated to the Board and maintained as part of the official records of the Company.

Meetings and Attendance

During the financial year 2025/26, the Committee met two times in order to discharge its responsibilities effectively. Attendance at the meetings was as follows:

Member	Attendance
Mr. Duminda Mahali Weerasekare	2/2
Mr. Mestiyage Don Janaka Ravi Goonetilleke	2/2
Mr. Thira Ravindu Gajavikum Kalamulla	2/2

Remuneration Policy

The Committee follows a balanced remuneration framework designed to promote accountability, motivate performance, and attract qualified professionals.

The principal features of the remuneration policy are as follows:

Talent Attraction and Retention

The Company seeks to offer competitive remuneration packages capable of attracting and retaining competent and experienced professionals.

Performance-Based Remuneration

A portion of the remuneration structure is linked to performance indicators in order to encourage the achievement of both short-term operational objectives and long-term strategic goals.

Market Competitiveness

Remuneration packages are reviewed periodically against market benchmarks and industry standards to ensure competitiveness.

Fairness and Transparency

All remuneration decisions are made with due consideration to fairness, transparency, and compliance with applicable corporate governance standards.

Annual Review Process

The Committee carries out an annual evaluation of remuneration packages of Executive Directors and Senior Management by considering:

- Individual performance,
- Performance of the respective business units, and
- Overall performance of the Company.

Where appropriate, the Committee obtains independent professional advice to ensure that remuneration practices remain aligned with prevailing market standards and governance best practices.

Directors’ Fees

Non-Executive Directors are compensated through Board and Committee fees for the services rendered to the Company.

- Non-Executive Directors are not entitled to short-term incentive payments.
- Non-Executive Directors do not participate in long-term incentive schemes or share option plans of the Company.

The Remuneration Committee recommends the level of Directors’ fees to the Board for approval.
Details of Directors’ remuneration are disclosed in note 23.1 to the Financial Statements.

Conclusion

The Remuneration Committee remains committed to maintaining high standards of corporate governance, accountability, and fairness in the Company’s remuneration practices.
The Committee will continue to ensure that remuneration policies are performance-oriented, market competitive, and aligned with the long-term interests of the Company and its shareholders.

On behalf of the Remuneration Committee,
Mr. Duminda Mahali Weerasekare
Chairman – Remuneration Committee

Independent Auditor's Report

KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
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Colombo 00300, Sri Lanka.

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TO THE SHAREHOLDERS OF ALPHA FIRE SERVICES PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alpha Fire Services PLC ("the Company"), which comprise the statement of financial position as at 31st March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Accounting Policy 2.1 and Note 03 to the financial statements, which describe the basis of preparation. These financial statements for the year ended 31 March 2026 are the Company's first set of financial statements prepared in accordance with full SLFRS. The comparative balances presented as at and for the year ended 31 March 2025 and as at 1 April 2024 have been restated and disclosed in these financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's financial statements of the current period. These matters were addressed in the context of our audit of the Company's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

First-time Adoption of Sri Lanka Financial Reporting Standards (SLFRS)

Refer to the material accounting policies in the Note 2.1 “Basis of Preparation” and explanatory Note 03 “First time adoption of full SLFRS” to the financial statements

Risk Description	Our Response
The Company has adopted Sri Lanka Financial Reporting Standards (SLFRSs) for the first time during the year ended 31 March 2026, having previously prepared its financial statements in accordance with SLFRS for SMEs. In accordance with SLFRS 1, the Company was required to prepare an opening SLFRS statement of financial position and restated comparative information. The transition to SLFRS required management to assess the differences between the Company’s previous financial reporting framework (“SLFRS for SMEs”) and full SLFRS, determine the accounting policies to be adopted, evaluate any transitional adjustments required and prepare the related disclosures. Given the significance of the first-time adoption of full SLFRSs to the financial statements as a whole and although the overall impact of the transition of the Company’s financial statements is not material, the area also required significant auditor’s effort to assess the completeness and accuracy of the management’s transition adjustments. Accordingly, we have identified the first-time adoption of full SLFRS as a key audit matter.	Our audit procedures included, among others; • Evaluating the Company's transition approach and assessed whether the accounting policies adopted on transition were in accordance with the requirements of SLFRS 1 and other applicable SLFRS. • Testing transition adjustments recognised in the opening SLFRS statement of financial position and the restated comparative information and assessed the mathematical accuracy of the related calculations. • Assessing the appropriateness of accounting policies adopted by the management on transition to full SLFRS. • Assessing the adequacy and completeness of the disclosures relating to the first-time adoption of full SLFRS.

Revenue Recognition

Refer to the material accounting policies in the Note 2.2.7 “Revenue from contract with customers” and explanatory Note 17 “Revenue” to the financial statements

Risk Description	Our Response
The Company recognised revenue of Rs. 503,189,119/- for the year ended 31 March 2026, of which Rs. 366,613,488/- related to project-based revenue. Revenue from project-based contracts is recognised over time in accordance with SLFRS 15 - Revenue from Contracts with Customers, based on the progress towards satisfaction of the relevant performance obligations. The recognition and measurement of project-based revenue involves significant management judgement and estimation, including determining the transaction price, assessing variable consideration arising from contract variations and claims subject to customer approval, and estimating the stage of completion, total contract revenue and costs to complete. Management is also required to assess the expected completion dates of projects and update these estimates as projects progress. Given the significant judgement and estimation involved in the recognition and measurement of project-based revenue under SLFRS 15, together with the magnitude of project-based revenue and its importance as a key performance measure, we identified revenue recognition as a key audit matter.	Our audit procedures included among others; • Understanding the nature of the revenue contracts entered by the company and evaluate design and operating effectiveness of relevant controls over the revenue recognition. • Assessing management’s estimate of total contract revenue and contract costs and recalculated the stage of completion based on actual costs incurred to date for a sample of transaction. • Assessing the start and end dates of projects to supporting evidence for a sample of revenue recognised on a time basis. • Performing retrospective analysis of incomplete projects at the year end. We compared the estimated projects completion dates with the actual projects completion dates with the actual completion dates post year end to assess the allocation of revenue between periods. • Assessing the adequacy of the disclosures to the financial statements.

Independent Auditor's Report

Carrying value of inventory

Refer to the material accounting policies in the Note 2.2.2 "Inventories" and explanatory Note 05 "Inventory" to the financial statements

Risk Description	Our Response
The inventory balance comprise of raw consumables and work in progress amounting to Rs. 142,401,940/- as at 31 March 2026 which forms a significant part of the Company's current assets. Carrying value of inventories is identified as a key audit matter because establishing a provision for slow-moving, obsolete and damaged inventory and valuation of inventories involve significant judgements and assumptions exercised by the management.	Our audit procedures included among others; • Obtaining an understanding of an assessing the design, implementation and operating effectiveness of management's key internal controls over the supply chain and testing selected key controls over recognition and measurement of inventory and inventory provisioning. • On a sample basis, testing the net realizable value by comparing the actual cost with relevant market data. • Attending stock counts as at the year-end. In addition, assessed the effectiveness of the physical count controls in operation at each count location to identify damaged stocks, and expired stocks that are written off in a timely manner and evaluating the results of the other counts performed by the management throughout the period to assess the existence of inventory. Gaining an understanding of the movements in the inventory for the year and assess the adequacy of the provision for non-moving and slow-moving inventory. • Assessing whether the Company's accounting policies had been consistently applied and the adequacy of the company's disclosures in respect of the judgement and estimating made in respect of inventory provisioning.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statement and our auditor's report there on.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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 Management and Those Charged with Governance for the Financial Statements

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

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

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

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 Company's internal control.
- 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 Company'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 Company 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.

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 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, actions taken to eliminate threats or safeguards applied.

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.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3544.

KPMG

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka

31st August 2026

Statement of Financial Position

As at 31 March,	Note	2026	2025 Restated	As at 01 April 2024 Restated
Assets				
Non-current assets				
Property, plant & equipment	4	77,224,516	72,586,768	72,407,471
Capital work in progress	4.4	5,497,816	5,497,816	-
Term deposits		35,565,420	32,363,396	30,435,966
Total non-current assets		**118,287,752**	**110,447,980**	**102,843,437**
Current assets				
Inventories	5	142,401,940	172,478,167	83,548,022
Trade and other receivables	6	88,159,564	75,887,701	89,826,300
Cash margin account		184,535	4,073,411	10,130,325
Cash and cash equivalents	7	21,287,430	20,319,152	13,826,017
Total current assets		**252,033,469**	**272,758,431**	**197,330,664**
Total assets		**370,321,221**	**383,206,411**	**300,174,101**
Equity and liabilities				
Equity				
Stated capital	8	76,429,460	76,429,460	76,429,460
Revaluation reserve		23,880,760	23,880,760	23,880,760
Retained earnings		129,029,340	76,821,624	41,168,092
Total equity		**229,339,560**	**177,131,844**	**141,478,312**
Non-current liabilities				
Retirement benefits obligation	9	5,924,968	5,964,740	4,640,418
Bank borrowings - non current portion	10	4,333,322	6,333,326	1,833,317
Deferred tax liabilities	11	4,706,009	4,538,482	6,121,622
Total non-current liabilities		**14,964,299**	**16,836,548**	**12,595,357**
Current Liabilities				
Bank borrowings - current portion	10	2,000,004	3,833,321	10,591,125
Amount due to related parties	12	5,641,922	-	-
Short term bank borrowings	13	50,645,782	68,401,094	33,196,850
Trade and other payables	14	31,786,195	76,288,250	56,863,820
Deferred Income	15	11,800,000	-	-
Income tax payable	16	14,580,450	19,602,715	11,929,987
Bank overdrafts	7	9,563,009	21,112,639	33,518,650
Total current liabilities		**126,017,362**	**189,238,019**	**146,100,432**
Total liabilities		**140,981,661**	**206,074,567**	**158,695,789**
Total equity and liabilities		**370,321,221**	**383,206,411**	**300,174,101**

The Accounting Policies and Notes on pages 74 to 102 form an integral part of the Financial Statements.
I certify that the above Financial Statements comply with the requirements of the Companies Act No. 7 of 2007.

Finance Manager

The Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with Sri Lanka Accounting Standards (SLFRS/LKAS) and the requirements of the Companies Act No. 07 of 2007.
Approved and signed on behalf of the Board of Directors:

Managing Director

Director

31st August 2026
Colombo

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March,	Note	2026 Rs.	2025 Rs. Restated
Revenue	17	503,189,119	416,270,509
Cost of sales	18	(283,177,094)	(240,706,748)
Gross profit		**220,012,025**	**175,563,761**
Administrative expenses		(94,373,160)	(67,179,839)
Selling and distribution expenses		(43,069,715)	(37,988,843)
Profit from operations	19	**82,569,150**	**70,395,079**
Finance income	20.1	4,599,956	3,368,640
Finance expenses	20.2	(10,394,952)	(14,025,828)
Net finance expenses		(5,794,996)	(10,657,188)
Profit before taxation		**76,774,154**	**59,737,891**
Income tax expenses	22	(24,803,125)	(18,305,408)
Profit after taxation		**51,971,029**	**41,432,483**
Other comprehensive income			
Items that will not be re-classified to			
Surplus/(Deficit) on retirement benefits obligation	9	338,125	(123,502)
Tax on other comprehensive income	11	(101,438)	37,051
Other comprehensive income for the year		236,687	(86,451)
Total comprehensive income		**52,207,716**	**41,346,032**
Basic Earning Per Share (Rs.)	21	**1.37**	**1.09**

The Accounting Policies and Notes on pages 74 to 102 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

Statement of Changes in Equity

For the year ended 31 March,	Stated capital Rs.	Revaluation reserve Rs.	Retained earnings Rs.	Total Rs.
Balance as at 31March 2024	**76,429,460**	**23,880,760**	**45,073,288**	**145,383,508**
SLFRS 1 Transition - ECL on trade debtors	-	-	(5,578,851)	(5,578,851)
SLFRS 1 Transition - Deferred tax on ECL	-	-	1,673,655	1,673,655
Balance as at 01 April 2024 - Note 3	**76,429,460**	**23,880,760**	**41,168,092**	**141,478,312**
Total comprehensive income for the year				
Profit for the year	-	-	41,432,483	41,432,483
Other comprehensive income for the period	-	-	(86,451)	(86,451)
Dividend Distribution	-	-	(5,692,500)	(5,692,500)
Balance as at 31 March 2025	**76,429,460**	**23,880,760**	**76,821,624**	**177,131,844**
Balance as at 01 April 2025	**76,429,460**	**23,880,760**	**76,821,624**	**177,131,844**
Total comprehensive income for the year				
Profit for the year	-	-	51,971,028	51,971,028
Other comprehensive income for the period	-	-	236,687	236,687
Balance as at 31 March 2026	**76,429,460**	**23,880,760**	**129,029,340**	**229,339,560**

The Accounting Policies and Notes on pages 74 to 102 form an integral part of the Financial Statements.

Figures in brackets indicate deductions.

Statement of Cash Flows

For the year ended 31 March,	Note	2026 Rs.	2025 Rs. Restated
Cash flows from operating activities			
Profit before taxation		76,774,154	59,737,891
Adjustments for:			
Depreciation of property plant and equipment	4	4,844,993	4,609,795
Provision for retirement benefit obligation	9	1,376,353	1,362,821
Interest income		(4,599,956)	(3,368,640)
Loan interest		8,147,710	7,241,321
Operating profit before changes in working capital		**86,543,254**	**69,583,188**
Changes in working capital			
Decrease/(Increase) in inventories		30,076,227	(88,930,145)
(Increase)/decrease in trade and other receivables		(12,271,863)	13,938,599
Increase/(decrease) in amount due to related parties		5,641,922	-
Increase/(decrease) in trade and other payables		(44,502,055)	19,424,430
Increase in deffered Income		11,800,000	-
Cash generated/(used in) from operations		**77,287,485**	**14,016,072**
Income tax paid	16	(30,144,390)	(12,178,768)
Gratuity paid	9	(1,078,000)	(162,000)
Net cash flow generated/(used in) from operating activities		**46,065,095**	**1,675,304**
Cash flows from investing activities			
Acquisition of property, plant and equipment	4	(9,482,741)	(10,286,907)
Interest income		1,783,021	1,441,210
Investment withdrawal in cash margin		3,888,876	6,056,914
Net cash flow used in investing activities		**(3,810,844)**	**(2,788,783)**
Cash flows from financing activities			
Dividend paid		-	(5,692,500)
Long term loan received		-	10,000,000
Long term loan paid		(3,833,321)	(12,257,795)
Short term loan (paid)/received		(17,755,312)	35,204,242
Loan interest paid		(8,147,710)	(7,241,321)
Net cash flow (used in) generated/from financing activities		**(29,736,343)**	**20,012,626**
Net changes in cash and cash equivalents during the year		12,517,908	18,899,146
Cash and cash equivalents at beginning of the year		(793,487)	(19,692,633)
Cash and cash equivalents at end of the year	**7**	**11,724,421**	**(793,487)**

The Accounting Policies and Notes on pages 74 to 102 form an integral part of the Financial Statements.

Figures in brackets indicate deductions

Notes to the Financial Statements

1 General Information of Reporting Entity

1.1 Domicile and legal form

Alpha Fire Services PLC ('the Company') is a public limited liability company incorporated and domiciled in Sri Lanka under the Companies Act No. 07 of 2007. The registered office of the Company is located at No 100/1, Elvitigala Mawatha, Colombo 08.

The Company has been listed on the Empower Board of the Colombo Stock Exchange since 07 June 2022 under the ticker symbol FIRE.N0000.

1.2 Principal activities and nature of operations

The principal activities of Alpha Fire Services PLC comprise the design, supply, installation, commissioning, and maintenance of fire protection and detection systems, fire suppression systems, and related fire safety products. Revenue is generated through three streams, project income (installation and construction of fire protection systems), annual maintenance contract income (AMC), and the sale of fire safety equipment and consumables.

1.3 Authorization for Issue

The Financial Statements were authorised for issue by the Board of Directors on 31st August 2026.

1.4 Responsibility for Financial Statements

The responsibility of the Directors in relation to the Financial Statements are set out in the Statement of Directors' Responsibility Report in the Annual Report.

2 Basis of Preparation and material accounting policy information

2.1 Basis of Preparation

2.1.1 Statement of compliance

The financial statements of Alpha Fire Services PLC (the 'Company') have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS) — full SLFRS — as issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), and in compliance with the requirements of the Companies Act No. 7 of 2007 and the listing rules of the Colombo Stock Exchange (CSE).

First-time adoption of full SLFRS

These financial statements for the year ended 31 March 2026 are the Company's first set of financial statements prepared in accordance with full SLFRS. In prior periods (up to and including the year ended 31 March 2025), the Company prepared its financial statements in accordance with SLFRS for Small and Medium-sised Entities (SLFRS for SMEs) issued by CA Sri Lanka.

The Company has applied SLFRS 1 - First-time Adoption of Sri Lanka Financial Reporting Standards - in preparing these financial statements. The transition date is 01 April 2024, being the beginning of the earliest period for which full comparative information is presented under full SLFRS (SLFRS 1). The comparative information presented for the year ended 31 March 2025 has been restated to comply with full SLFRS.

The effects of the transition from SLFRS for SMEs to full SLFRS on the Company's reported equity and total comprehensive income are disclosed in Note 3 (First-time Adoption of full SLFRS) and in the Statement of Changes in Equity.

Mandatory exceptions and optional exemptions applied under SLFRS 1:

SLFRS 1 Exemption/ Exception	Treatment Adopted by Alpha Fire Services PLC
Business Combinations (SLFRS 3)	Not applicable. The Company has not undertaken any business combinations prior to the transition date. Accordingly, this exemption was not relevant.
Property, Plant and Equipment (LKAS 16)	The Company applied the revaluation model for all classes of property, plant and equipment under SLFRS for SMEs and continues to apply the same model under LKAS 16. Accordingly, the carrying amounts recognised under the previous reporting framework were adopted on transition to full SLFRS without adjustment. No deemed cost exemption was applied (Note 2.2.1, Note 4 and 4.2)
Leases (SLFRS 16)	Not applicable. The Company had no material lease arrangements outstanding at the transition date (01 April 2024). All previous lease commitments (office premises) had expired prior to the transition date.
Employee Benefits (LKAS 19)	The Company measured its retirement benefit obligation under SLFRS for SMEs using actuarial valuations. Upon transition to full SLFRS, the retirement benefit obligation was reassessed in accordance with LKAS 19 using the same actuarial valuation methodology. As no differences across between the amounts recognised under the previous reporting framework and those determined under LKAS 19, no transition adjustment was required. (Note 2.2.6)
Financial Instruments (SLFRS 9)	The Company applied the classification and measurement requirements of SLFRS 9 — Financial Instruments — from the transition date (01 April 2024). Trade receivables have been reclassified and measured at amortised cost using the Effective Interest Rate (EIR) method, and the Expected Credit Loss (ECL) impairment model (simplified approach — lifetime ECL) has been applied prospectively from the transition date. The effect of recognising the incremental ECL provision on transition is disclosed in Note 2.2.3.
Estimates	Estimates made by the Company under full SLFRS at the transition date (01 April 2024) are consistent with estimates made under SLFRS for SMEs for the same date, unless there is objective evidence that those estimates were in error. The Company did not revise its estimates solely as a result of the transition to full SLFRS.
Derecognition of Financial Assets and Liabilities	The mandatory exception under SLFRS 1 was applied.
Hedge Accounting	Not applicable as the Company did not designate any hedging relationships.
Non-controlling Interests	Not applicable as the Company does not have non-controlling interests.
No early adoption of standards not yet effective	The Company has not early adopted any SLFRS, LKAS, or IFRIC interpretations that are effective for periods beginning after 01 April 2025. (Note 2.1.6)

Management concluded that the above exemptions and exceptions were appropriately assessed in accordance with SLFRS 1 and applied where relevant.

2.1.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following items which are measured on an alternative basis at each reporting date:

- Property plant and equipment — measured at revalued amount under the revaluation model (LKAS 16). See Note 2.2.1.
- Defined benefit obligation (retiring gratuity) — measured at the present value of the estimated future benefit payments using the Projected Unit Credit method (LKAS 19). See Note 2.2.6.
- Financial assets — Amortised cost using the Effective Interest Rate (EIR) method, less ECL impairment allowance (SLFRS 9) See note 2.2.3.2.
- Financial liabilities — Amortised cost using the Effective Interest Rate (EIR) method (SLFRS 9). See Note 2.2.3.3.

2.1.3 Functional and presentation currency

The financial statements of the Company are presented in Sri Lanka Rupees (Rs.), which is both the Company's functional currency and presentation currency. All amounts are rounded to the nearest Rupee.

The Company undertakes transactions denominated in foreign currencies (primarily United States Dollars — USD and Euro — GBP) in connection with imported goods and equipment purchased under Import Letters of Credit. These transactions are translated into Sri Lanka Rupees at the

Notes to the Financial Statements

exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing exchange rate at the reporting date. Exchange gains and losses arising on retranslation are recognised in profit or loss within finance income or finance expenses. See Note 24.4.1 for currency risk disclosures.

2.1.4 Presentation of Financial Statements
The assets and liabilities of the Company presented in the Statement of Financial Position are grouped by nature and listed in an order that reflects their relative liquidity and maturity pattern.

2.1.5 Comparative Information
Comparative information including quantitative, narrative and descriptive information as relevant is disclosed in respect of previous period in the Financial Statements.

2.1.6 Offsetting
Assets and liabilities or income and expenses, are not offset unless required or permitted by Sri Lanka Accounting Standards.

2.1.7 Materiality and Aggregation
Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by LKAS 1- Presentation of Financial Statements.

Financial Assets and Financial Liabilities are offset, and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on net basis, or to realise the assets and settle the liability simultaneously.

2.1.8 Use of estimates and judgements
The preparation of the Financial Statements in conformity with Sri Lanka Accounting Standards (LKASs and SLFRSs) requires the management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates and judgmental decisions.

Estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making judgments about the carrying amount of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions that are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Statements is included in the following notes:

The key areas involving significant estimates and judgements are:

Note	Area of significant estimate or judgement
Note 4	Property, plant and equipment — revalued amounts and useful lives
Note 2.2.3.6	ECL on trade receivables — PD, LGD, macroeconomic forward-looking adjustments
Note 9	Defined benefit obligation — actuarial assumptions (discount rate, salary increment, turnover)
Note 11	Deferred tax — recoverability of deferred tax assets and measurement of temporary differences
Note 2.2.7.1	Revenue from project contracts — estimation of stage of completion
Note 27	Contingent liabilities — assessment of probable obligation and amount

2.1.9 Going concern
The Directors have made an assessment of the Company's ability to continue as a going concern as at the date of authorisation of these financial statements for the year ended 31 March 2026. Based on available information, the Directors have assessed the Company's financial performance, liquidity position, access to banking facilities, order book, and the prevailing economic environment.

The management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the financial statements are prepared on the going concern basis.

2.1.10 Adoption of New and Revised Sri Lanka Accounting Standards
The following new and revised Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Accounting Standards (LKAS) have been considered in preparing these financial statements.

Part A — New and revised standards adopted for the first time in the year ended 31 March 2026

The following new standards, amendments, and improvements became effective for annual reporting periods beginning on or after 1 April 2025 and have been adopted by the Company in preparing these financial statements:

Standard/ Amendment	Effective date	Description and effect on the Company's financial statements	Impact
SLFRS 1 *First-time Adoption of Sri Lanka Financial Reporting Standards*	01 April 2024 (transition date) 01 April 2025 (first SLFRS period)	This standard governs the Company's transition from SLFRS for SMEs to full SLFRS. The transition date is 01 April 2024 (the beginning of the earliest comparative period presented). The Company has applied SLFRS 1 in preparing all three statements of financial position (01 April 2024, 31 March 2025, and 31 March 2026) and has presented the mandatory reconciliations of equity and profit or loss in Note 3. The optional exemptions elected are described in Note 2.1.1. This adoption is the most significant accounting change for the Company in the current year.	MATERIAL
Amendments to LKAS 21 *Lack of Exchangeability*	Periods beginning on or after 1 January 2025	These amendments address how an entity should translate assets, liabilities, income and expenses into its presentation currency when a currency is not exchangeable into another currency at a given date. The amendments clarify when a currency is exchangeable and how the spot exchange rate is determined in such circumstances. The Company's transactions and balances are denominated in Sri Lanka Rupees, the functional and presentation currency. Accordingly, these amendments have no material effect on the Company's financial statements.	NIL IMPACT
Annual Improvements to SLFRS 2021–2023 Cycle *Various minor clarifications*	Periods beginning on or after 1 January 2024	The 2021–2023 Annual Improvements cycle introduced minor clarifications to SLFRS 1 (subsidiary as first-time adopter — measurement of cumulative translation differences), SLFRS 3 (reference to updated Conceptual Framework), LKAS 7 (non-cash long-term interests in associates), and LKAS 34 (interim report disclosures). None of these clarifications affect the Company's accounting or disclosures in any material respect.	NIL IMPACT
Amendments to SLFRS 16 *Lease Liability in a Sale and Leaseback*	Periods beginning on or after 1 January 2024	These amendments specify how a seller-lessee measures the lease liability arising from a sale-and-leaseback transaction to ensure that gains or losses recognised do not relate to the retained right of use. The Company has not entered into any sale-and-leaseback transactions and has no active lease arrangements as at 31 March 2026. Accordingly, these amendments have no effect on the Company's financial statements.	NIL IMPACT

Notes to the Financial Statements

Part B — New and revised standards issued but not yet effective as at 31 March 2026

The following new standards and amendments have been issued but are not yet effective for the year ended 31 March 2026. The Company has not early-adopted any of these. Management's assessment of the expected impact on the Company's financial statements upon adoption is provided for each:

Standard/ Amendment	Effective date (for Alpha Fire)	Description and expected effect	expected Impact
SLFRS 18 *Presentation and Disclosure in Financial Statements (replaces LKAS 1)*	Periods beginning on or after 1 April 2027	SLFRS 18 replaces LKAS 1 — Presentation of Financial Statements. Key changes: (i) new categories for income and expenses in the statement of profit or loss (operating, investing, and financing), with mandatory subtotals for each; (ii) new disclosure requirements for management-defined performance measures (MPMs) used in public communications but not defined in SLFRS; and (iii) enhanced requirements on the location, aggregation, and disaggregation of information in the financial statements. SLFRS 18 must be applied retrospectively — the 2026/27 comparatives will need to be restated under the new format. Management is currently assessing the impact on the presentation of the statement of profit or loss and on related disclosures.	UNDER ASSESSMENT
Amendments to SLFRS 9 and SLFRS 7 *Classification and Measurement of Financial Instruments*	Periods beginning on or after 1 April 2026	These amendments introduce: (i) a new measurement category for financial assets with contractual cash flows that are not solely payments of principal and interest but are managed and evaluated on a fair value basis; (ii) additional disclosure requirements for equity instruments designated at FVOCI, including de-recognition terms; (iii) new criteria for derecognition of financial liabilities settled through electronic payment systems. The Company's financial instruments are straightforward (trade receivables, term deposits, bank borrowings, and trade payables — all measured at amortised cost). These amendments are not expected to have a material impact on the classification, measurement, or disclosures of the Company's financial instruments.	LOW IMPACT
Annual Improvements to SLFRS — Volume 11 *Various amendments*	Periods beginning on or after 1 April 2026	Volume 11 of the Annual Improvements cycle addresses minor clarifications and amendments to several standards. The specific amendments include clarifications to SLFRS 1 (employee or former employee share-based payment arrangements), SLFRS 7 (disclosure of own credit risk), and LKAS 32 (classification as equity or liability). None of these amendments are expected to have a material impact on the Company's financial statements.	NIL IMPACT
SLFRS 19 *Subsidiaries without Public Accountability: Disclosures*	Periods beginning on or after 1 April 2027	SLFRS 19 is an optional standard allowing eligible subsidiaries of parent companies to apply reduced disclosure requirements (while retaining all SLFRS recognition, measurement, and presentation requirements) instead of the full disclosures otherwise required by SLFRS. The standard is only applicable to subsidiaries that are not themselves publicly accountable. Alpha Fire Services PLC is a listed entity on the Empower Board of the Colombo Stock Exchange and is therefore publicly accountable. Accordingly, SLFRS 19 is not applicable to the Company.	NOT APPLICABLE
SLFRS S1 and SLFRS S2 *Sustainability Disclosure Standards (General Requirements and Climate-related Disclosures)*	Empower Board entities: periods beginning on or after 1 January 2027	CA Sri Lanka has issued SLFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and SLFRS S2 (Climate-related Disclosures), aligned with the ISSB Standards. Under the phased adoption timeline issued by CA Sri Lanka, entities listed on the Empower Board of the Colombo Stock Exchange are required to comply with SLFRS S1 and SLFRS S2 for annual periods beginning on or after 1 January 2027 (i.e., for the Company's year ending 31 March 2028). These standards are not applicable to the Company for the year ended 31 March 2026. Management has commenced its initial impact assessment and will provide sustainability-related disclosures in future periods as required.	FUTURE PERIOD

Classification	Meaning
MATERIAL	The standard has had or is expected to have a significant effect on the Company's financial statements, accounting policies, or disclosures.
UNDER ASSESSMENT	The standard is not yet effective. Management is currently assessing the nature and extent of its impact.
LOW IMPACT	The standard will require some disclosure changes or minor adjustments, but is not expected to change the recognition or measurement of any material item.
NIL IMPACT	The standard does not apply to the Company's operations or has no practical effect on the financial statements.
NOT APPLICABLE	The standard specifically excludes publicly accountable entities such as listed companies, or is otherwise not applicable to the Company.
FUTURE PERIOD	The standard is effective in a future period and will be adopted as required. Early adoption has not been elected.

2.2 Material Accounting Policies

2.2.1 Property, plant and equipment

2.2.1.1 Revaluation model — All classes of PPE

Property, plant and equipment are measured using the revaluation model. After initial recognition, property, plant and equipment are carried at revalued amounts, being their fair value at the date of revaluation, less any subsequent accumulated depreciation and accumulated impairment losses.

Revaluations are performed with sufficient regularity (the Company's policy is every three to five years, or earlier if there is a material difference between carrying amount and fair value) by independent, professionally qualified valuers. Any revaluation surplus is recognised in Other Comprehensive Income and accumulated in equity under the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. Any revaluation decrease is recognised in profit or loss except to the extent that it offsets a prior surplus for the same asset held in the revaluation reserve.

The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of self-constructed assets includes the cost of materials, direct labour and directly attributable overheads.

2.2.1.2 Subsequent costs

Costs incurred to replace a component of an item of property, plant and equipment are recognised in the carrying amount of the item when it is probable that the future economic benefits embodied in the replacement part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. Day-to-day servicing and maintenance costs are recognised in profit or loss as incurred.

2.2.1.3 Derecognition

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 on derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the period of derecognition.

2.2.1.4 Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of each asset, commencing when the asset is available for use. Land is not depreciated. Depreciation rates applied are as follows:

Asset class	Useful life	Rate per annum
Land	Not depreciated	Nil
Buildings/ Improvements	20 years	5%
Machinery and equipment	5 years	20%
Tools and equipment	5 years	20%
Computers and IT equipment	4 years	25%
Furniture and fittings	10 years	10%
Motor vehicles	4 years	25%
Fire containers	10 years	10%
Mobile Phones	5 years	20%
Capital work-in-progress	Not depreciated until transferred to PPE	Nil

Residual values, useful lives, and depreciation methods are reviewed at each reporting date and adjusted if appropriate. The effect of any change is accounted for prospectively.

Notes to the Financial Statements

2.2.1.5 Impairment of Property, Plant and Equipment

At each reporting date, the Company assesses whether there is any indication that an item of property, plant and equipment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Impairment losses are recognised in profit or loss. An impairment loss recognised in prior periods is reviewed at each reporting date for any indication that the loss has decreased or no longer exists. Where appropriate, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised previously.

2.2.1.6 Capital work-in-progress

Capital expenditure incurred in respect of assets that are not yet complete and available for use at the reporting date is classified as capital work-in-progress. Upon completion and commissioning, the cost is transferred to the appropriate category of property, plant and equipment.

2.2.2 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the First-In-First-Out (FIFO) method.

Cost includes the purchase price, import duties, non-refundable taxes and other directly attributable costs incurred in bringing the inventories to their present location and condition. In the case of work-in-progress, cost includes direct materials, direct labour and an appropriate allocation of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are reviewed at each reporting date and written down where necessary to their net realisable value. Any write-down of inventories is recognised as an expense in the period in which the write-down occurs. Reversals of previous write-downs arising from increases in net realisable value are recognised in profit or loss in the period in which the reversal occurs.

2.2.3 Financial instruments

2.2.3.1 Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets (other than trade receivables without a significant financing component) are initially measured at fair value plus, for items not measured at FVTPL, transaction costs directly attributable to their acquisition. Trade receivables without a significant financing component are initially measured at the transaction price.

2.2.3.2 Classification and subsequent measurement of financial assets

On initial recognition, financial assets are classified as measured at: amortised cost, FVOCI, or FVTPL, based on the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

Amortised cost: A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company's trade receivables, term deposits, and cash and bank balances are classified at amortised cost.

Financial assets are not reclassified subsequent to initial recognition unless the Company changes its business model for managing financial assets.

2.2.3.3 Classification and subsequent measurement of financial liabilities

Financial liabilities are classified at amortised cost. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Financial liabilities include bank borrowings, trade and other payables, and amounts due to related parties.

2.2.3.4 Derecognition

Financial assets: A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership.

Financial liabilities: A financial liability is derecognised when the contractual obligations are discharged, cancelled, or expire. Any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

2.2.3.5 Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position only when the Company has a legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.2.3.6 Expected credit losses on trade receivables — SLFRS 9 simplified approach

Approach: The Company applies the simplified approach under SLFRS 9.5.5.15 to measure the loss allowance for all trade receivables and contract assets arising from transactions within the scope of SLFRS 15 — Revenue from Contracts with Customers. Under the simplified approach, the loss allowance is always measured at an amount equal to lifetime expected credit losses (lifetime ECL), without the need to track changes in credit risk since initial recognition (no staging required).

Significant financing component assessment: Management has assessed that the Company's trade receivables and contract assets do not contain a significant financing component. The period between the Company's performance of the service or project milestone and the expected receipt of customer payment does not exceed 12 months in any case (SLFRS 15.63 practical expedient). Accordingly, the simplified approach is applicable to all trade receivables.

ECL computation: Expected credit losses are computed using a provision matrix segmented by the number of days past due from the invoice date, using the following formula:
ECL = EAD x PD (PIT) x LGD

where:
- EAD (Exposure at Default) = gross carrying amount of the trade receivable at the reporting date
- PD (Probability of Default) = point-in-time calibrated lifetime default probability, derived from historical ageing migration flow rates over 48+ months of monthly data, calibrated to current and forecast economic conditions using the Merton-Basel formula with Sri Lanka GDP growth (IMF World Economic Outlook) as the macroeconomic variable
- LGD (Loss Given Default) = weighted average loss rate computed from invoice-level analysis of defaulted receivables (>360 days), comparing discounted subsequent settlements to the outstanding balance at default, using the Average Weighted Lending Rate (AWLR) published by the Central Bank of Sri Lanka as the discount rate

Forward-looking information: PD rates are adjusted for forward-looking macroeconomic information using three probability-weighted scenarios — Base (50%), Upturn (40%), and Downturn (10%) — reflecting management's assessment of the probability of each scenario at the reporting date.
Receivables that are past due beyond 360 days are treated as credit-impaired and a 100% PD is applied.

2.2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term highly liquid investments that are readily convertible to known amounts of cash, with original maturities of three months or less from the date of acquisition, and which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents include cash on hand, bank current accounts, and savings accounts, net of bank overdrafts where the overdraft forms an integral part of the Company's cash management.

2.2.5 Leases — SLFRS 16

The Company assesses at contract inception whether a contract is, or contains, a lease within the meaning of SLFRS 16 — Leases.

Current position: As at 31 March 2026, the Company has no lease arrangements that meet the recognition criteria of SLFRS 16. Both finance leases previously held by the Company expired during the years ended 31 March 2022 and 31 March 2023 respectively, and were not renewed.

Short-term and low-value leases: The Company applies the short-term lease recognition exemption for leases with a remaining lease term of 12 months or less, and the low-value asset exemption for assets below the applicable threshold. Payments under such arrangements are recognised as an expense on a straight-line basis over the lease term.

2.2.6 Employee benefits

2.2.6.1 Defined contribution plans - EPF and ETF

Obligations for contributions to defined contribution plans are recognised as an expense in profit or loss in the period during which services are rendered by employees.

Notes to the Financial Statements

- Employees' Provident Fund (EPF): the Company contributes 12% and employees contribute 8% of gross salary to the approved fund.
- Employees' Trust Fund (ETF): the Company contributes 3% of gross salary.

2.2.6.2 Defined benefit plan - retiring gratuity (LKAS 19)
The Company's obligation under the Payment of Gratuity Act No. 12 of 1983 is a defined benefit obligation. The liability is measured using the Projected Unit Credit (PUC) method by an independent, qualified actuary at each reporting date.

Profit or loss- service cost and net interest: The net defined benefit cost recognised in profit or loss comprises: (a) current service cost - the increase in the present value of the DBO resulting from employee service in the current period; and (b) net interest cost - the unwinding of the discount on the DBO, calculated by applying the discount rate to the net opening DBO.

Other Comprehensive Income - remeasurements: Remeasurements of the defined benefit obligation, comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are recognised immediately in Other Comprehensive Income in the period in which they occur. Remeasurements are not subsequently reclassified to profit or loss.

Past service costs arising from plan amendments or curtailments are recognised in profit or loss immediately. The obligation is not discounted where the liability is expected to be settled within 12 months; where settlement extends beyond 12 months, the present value is determined using yields on Government bonds.

Under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of five years of continued service.

2.2.7 Revenue from contracts with customers — SLFRS 15
Revenue is recognised in accordance with SLFRS 15 — Revenue from Contracts with Customers. Revenue represents the amount of consideration that the Company expects to be entitled to in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (such as taxes). The Company applies the following five-step model:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

2.2.7.1 Project income — fire protection system installation (over time)
Revenue from fire protection system installation projects is recognised over time, as the customer simultaneously receives and consumes the benefit of the Company's performance. Revenue is measured using the input method based on the ratio of costs incurred to date to total estimated costs (cost-to-cost method), which best reflects the Company's progress towards satisfying the performance obligation.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

Variations and claims are included in the transaction price only to the extent that it is highly probable that a significant reversal of cumulative revenue will not occur.

2.2.7.2 Annual maintenance contract income (over time)
Revenue from annual maintenance contracts (AMC) is recognised over time on a straight-line basis over the contract period, as the customer benefits from the maintenance service evenly throughout the term. Amounts received in advance of the service period are recognised as contract liabilities (deferred income) in the Statement of Financial Position and released to revenue as the performance obligations are satisfied.

2.2.7.3 Sale of fire safety equipment and goods (point in time)
Revenue from the sale of fire extinguishers, fire safety equipment, and related goods is recognised at a point in time when control of the goods is transferred to the customer, which generally occurs on delivery and customer acceptance. Revenue is measured at the transaction price agreed in the contract, net of trade discounts and taxes.

2.2.7.4 Contract assets and contract liabilities
Contract assets: Where the Company has transferred goods or services to a customer but has not yet billed that customer (unbilled revenue), a contract asset is recognised. Contract assets are subject to the same ECL assessment as trade receivables (Note 3.3.6).

Contract liabilities: Where the Company has received payment (or has an unconditional right to receive payment) before it has performed the related services, a contract liability is recognised. Contract liabilities are released to revenue as the performance obligations are satisfied.

2.2.7.5 Other income
Interest income is recognised using the effective interest rate method. Other income is recognised as and when earned.

2.2.8 Expenditure
All expenditure incurred in the running of the business and in maintaining assets in a state of efficiency has been charged to profit or loss in the period incurred. Expenditure incurred for the purpose of acquiring, expanding, or improving assets of a permanent nature is treated as capital expenditure and included in property, plant and equipment.

2.2.9 Taxation
Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent they relate to items recognised directly in equity or in Other Comprehensive Income, in which case the related tax is also recognised there.

2.2.10 Current tax
Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date (30% for the year ended 31 March 2026), including any adjustment to tax payable in respect of previous years. Current tax payable is computed in accordance with the Inland Revenue Act No. 24 of 2017 (as amended).

2.2.11 Deferred tax
Deferred tax is recognised using the balance sheet liability method in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for the following:

- Temporary differences arising on the initial recognition of goodwill
- Temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit at the time of the transaction

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.2.12 Provisions
A provision is recognised in the Statement of Financial Position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Where the effect of time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.2.13 Earnings per share — LKAS 33
The Company presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares. The Company currently has no dilutive potential ordinary shares outstanding; accordingly, diluted EPS equals basic EPS.

2.2.14 Comparative information
The comparative information for the year ended 31 March 2025 has been restated to conform with full SLFRS presentation and measurement requirements under SLFRS 1. The SLFRS 1 reconciliations of equity and profit or loss for the comparative period are presented in Note 4. Where necessary, comparative figures have been reclassified to conform with the current year's presentation.

2.2.15 Events after the reporting date
The materiality of events occurring after the reporting date has been considered in accordance with LKAS 10 - Events After the Reporting Period. Adjusting events (those that provide evidence of conditions that existed at the reporting date) are reflected in the financial statements. Non-adjusting events (those that are indicative of conditions that arose after the reporting date) are disclosed in the notes where material.

Notes to the Financial Statements

2.2.16 Commitments and contingencies
Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable. Contingent liabilities are not recognised but are disclosed unless the probability of an outflow of resources is remote. Provisions are recognised for present obligations where an outflow of economic benefits is probable and can be reliably estimated.

Capital commitments and contingent liabilities are disclosed in Note 27.

2.2.17 Related party disclosures
A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. Parties are considered related if one party has the ability to control the other or to exercise significant influence over the other party in making financial and operating decisions, in accordance with LKAS 24 — Related Party Disclosures.

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any director (executive or otherwise) of the Company.

All related party transactions and outstanding balances are disclosed in Note 23.

2.2.18 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, net of any related tax effects.

2.2.19 First Time Adoption of SLFRS/LKAS
These Financial Statements, for the year ended 31st March 2026, are the first the Company has prepared in accordance with SLFRS/LKAS. For periods up to and including the year ended 31st March 2025, the Company prepared its Financial Statements in accordance with Sri Lanka Accounting Standard for Small and Medium-sised Entities (SLFRS for SMEs) which were effective up to 31 March 2025.

Accordingly, the Company has prepared Financial Statements which comply with SLFRS/LKAS applicable for periods ending on or after 31st March 2026, together with the comparative period data as at and for the year ended 31st March 2025, as described in the accounting policies.

In preparing these Financial Statements, the Company's opening Statement of Financial Position was prepared as of 1st April 2024, the Company's date of transition to SLFRS/LKAS. This note explains the principal adjustments made by the Company in restating its Statement of Financial Position as of 1st April 2024, and its previously published Financial Statements as at and for the year ended 31st March 2025.

Exemptions applied
SLFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under SLFRS/LKAS.

The Company has applied the following exemption:

Property, plant & equipment were carried in the statement of financial position prepared in accordance with SLFRS for SMEs on the basis of valuations performed on 31st March 2023. The Company has elected to continue the revaluation model.

Estimates
The estimates at 1st April 2024 and at 31st March 2025 are consistent with those made for the same dates in accordance with SLFRS for SMEs (after adjustments to reflect any differences in accounting policies) apart from provision for Defined Benefit Obligations where application of SLFRS for SMEs did not require estimation:

The estimates used by the Company to present these amounts in accordance with SLFRS/LKAS reflect conditions at 1st April 2024, the date of transition to SFRS/LKAS and as of 31 March 2025.

3 First-time adoption of full SLFRS

3.1 Reconciliation of equity as at 01st April 2024 (Date of transition to SLFRS/LKAS) and 31st March 2025

Statement of financial position	Note	As at 31st March 2025 SLFRS for SMEs Rs.	Re-measurements/ Re-classifications Rs.	SLFRS/ LKAS Rs.	As at 01st April 2024 SLFRS for SMEs Rs.	Re-measurements/ Re-classifications Rs.	SLFRS/LKAS Rs.
ASSETS							
Non-current assets							
Property, plant & equipment		78,084,584	(5,497,816)	72,586,768	72,407,471	-	72,407,471
Capital work in progress	A	-	5,497,816	5,497,816	-	-	-
Term deposits		32,363,396	-	32,363,396	30,435,966	-	30,435,966
Total non-current assets		**110,447,980**	**-**	**110,447,980**	**102,843,437**	**-**	**102,843,437**
Current assets							
Inventories		172,478,167	-	172,478,167	83,548,022	-	83,548,022
Trade and other receivables	B	78,541,068	(2,653,367)	75,887,701	95,405,151	(5,578,851)	89,826,300
Cash margin account		4,073,411	-	4,073,411	10,130,325	-	10,130,325
Cash and cash equivalents		20,319,152	-	20,319,152	13,826,017	-	13,826,017
Total current assets		**275,411,798**	**(2,653,367)**	**272,758,431**	**202,909,515**	**(5,578,851)**	**197,330,664**
Total assets		**385,859,778**	**(2,653,367)**	**383,206,411**	**305,752,952**	**(5,578,851)**	**300,174,101**
EQUITY AND LIABILITIES							
Equity							
Stated capital		76,429,460	-	76,429,460	76,429,460	-	76,429,460
Revaluation reserve		23,880,760		23,880,760	23,880,760	-	23,880,760
Retained earnings	B/C/D	78,678,982	(1,857,357)	76,821,624	45,073,288	(3,905,196)	41,168,092
Total equity	Note 3	**178,989,202**	**(1,857,357)**	**177,131,844**	**145,383,508**	**(3,905,196)**	**141,478,312**
Non-current liabilities							
Retirement benefits obligation	C	5,964,740	-	5,964,740	4,640,418	-	4,640,418
Bank borrowings - non current portion		6,333,326	-	6,333,326	1,833,317	-	1,833,317
Deferred tax liabilities	D	5,334,492	(796,010)	4,538,482	7,795,277	(1,673,655)	6,121,622
Total non-current liabilities		**17,632,558**	**(796,010)**	**16,836,548**	**14,269,012**	**(1,673,655)**	**12,595,357**
Current liabilities							
Bank borrowings - current portion		3,833,321	-	3,833,321	10,591,125	-	10,591,125
Amount due to related parties	E	3,153,414	(3,153,414)	-	1,381,414	(1,381,414)	-
Short term bank borrowings		68,401,094	-	68,401,094	33,196,850	-	33,196,850
Trade and other payables	E	73,134,835	3,153,414	76,288,250	55,482,406	1,381,414	56,863,820
Income tax payable		19,602,715	-	19,602,715	11,929,987	-	11,929,987
Bank overdrafts		21,112,639		21,112,639	33,518,650	-	33,518,650
Total current liabilities		**189,238,018**	**-**	**189,238,019**	**146,100,432**	**-**	**146,100,432**
Total liabilities		**206,870,576**	**(796,010)**	**206,074,567**	**160,369,444**	**(1,673,655)**	**158,695,789**
Total equity and liabilities		**385,859,778**	**(2,653,367)**	**383,206,411**	**305,752,952**	**(5,578,851)**	**300,174,101**

Notes to the Financial Statements

3. First-time adoption of full SLFRS (Continued)

3.2 Reconciliation of statement of profit or loss and other comprehensive income for the year ended 31st March 2025

Statement of Comprehensive Income	Note	SLFRS for SMEs Rs.	Re-classifications Rs.	SLFRS/LKAS Rs.
Revenue		416,270,509	-	416,270,509
Cost of sales		(240,706,748)	-	(240,706,748)
Gross profit		175,563,761	-	175,563,761
Administrative expenses		(67,179,839)		(67,179,839)
Selling and distribution expenses	B	(40,914,327)	2,925,484	(37,988,843)
Profit from operations		67,469,595	2,925,484	70,395,079
Interest income		3,368,640	-	3,368,640
Finance expenses		(14,025,828)	-	(14,025,828)
Net finance expenses		(10,657,188)	-	(10,657,188)
Profit before taxation		56,812,407	2,925,484	59,737,891
Tax expenses	B & D	(17,390,712)	(914,696)	(18,305,408)
Profit after taxation		39,421,695	2,010,788	41,432,483
Other comprehensive income				
Items that will not be re-classified				
to profit or loss				
Surplus/(Deficit) on retirement benefits obligation		(123,502)	-	(123,502)
Tax on other comprehensive income	C	-	37,051	37,051
Total other comprehensive income		(123,502)	37,051	(86,451)
Total comprehensive income for the year		**39,298,193**	**2,047,839**	**41,346,032**
Basic Earning per share (Rs.)		**1.37**		**1.09**

3.3 Notes to the reconciliation of equity and statement of comprehensive income

A The Capital work-in progress which was included under property, plant & equipment has been reclassified and shown as a separate line item in the statement of financial position to meet better presentation.

B The Company has recognised loss allowance for expected credit losses on trade receivable as required by SLFRS 9, as disclosed in note 6.

C As part of the adoption of SLFRSs/LKASs, the Company has remeasured its retirement benefit obligations based on an actuarial valuation. However, no differences arose between the amounts recognised under SLFRS for SMEs and those determined in accordance with SLFRSs/LKASs, as disclosed in Note 9.

D The Company has reassessed deferred tax liabilities as given in Note 11. The reassessment resulted adjusting the deferred tax for the tax impact of expected credit losses (see above B & C) and reclassification of deferred tax impact on surplus/(deficit) on retirement benefit obligations, from profit or loss to other comprehensive income.

E Management fee payable balances previously classified as amounts due to related parties have been reclassified to other payables, as the respective parties were no longer related parties of the Company at the reporting dates. This is a presentation reclassification only and does not affect total equity, profit or loss, or total liabilities.

F There are no material differences between Statement of cash flows presented under SLFRS/LKAS and Statement of cash flows presented under SLFRS for SMEs.

In addition, management has assessed all mandatory exceptions and optional exemptions under SLFRS 1, as disclosed in Note 2.1.1, and concluded that these exemptions and exceptions were appropriately evaluated and applied, where relevant, in accordance with the requirements of SLFRS 1.

4 Property, plant and equipment

	Land	Buildings	Machinery	Tools and Equipment	Office Equipment	Computers	Furniture and Fittings	Motor Vehicles	Containers	Mobile Phones	Improvements	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revalued Amount												
Balance as at 01 April 2024	54,532,000	1,649,000	818,400	2,835,600	52,100	1,424,500	1,293,503	12,470,000	1,640,000	-	-	76,715,103
Additions	-	-	12,400	195,000	-	316,100	39,100	750,000	3,446,491	30,000	-	4,789,091
Balance as at 31 March 2025	54,532,000	1,649,000	830,800	3,030,600	52,100	1,740,600	1,332,603	13,220,000	5,086,491	30,000	-	81,504,194
Additions	-	-	-	-		2,056,700	364,900	-	-	26,624	7,034,517	9,482,741
Balance as at 31 March 2026	54,532,000	1,649,000	830,800	3,030,600	52,100	3,797,300	1,697,503	13,220,000	5,086,491	56,624	7,034,517	90,986,935
Accumulated Depreciation												
Balance as at 01 April 2024	-	82,450	140,480	955,420	14,270	430,237	306,608	2,298,167	80,000	-	-	4,307,632
Charge for the Year	-	82,450	142,340	970,316	13,550	506,263	301,477	2,369,781	219,367	4,250	-	4,609,794
Balance as at 31 March 2025	-	164,900	282,820	1,925,736	27,820	936,500	608,085	4,667,948	299,367	4,250	-	8,917,426
Charge for the Year		82,452	142,960	635,790	7,501	650,746	201,990	2,506,500	254,325	11,003	351,726	4,844,993
Balance as at 31 March 2026	-	247,352	425,780	2,561,526	35,321	1,587,246	810,075	7,174,448	553,692	15,253	351,726	13,762,419
Carrying Value as at 01 April 2024	**54,532,000**	**1,566,550**	**677,920**	**1,880,180**	**37,830**	**994,263**	**986,895**	**10,171,833**	**1,560,000**	**-**	**-**	**72,407,471**
Carrying Value as at 31 March 2025	**54,532,000**	**1,484,100**	**547,980**	**1,104,864**	**24,280**	**804,100**	**724,518**	**8,552,052**	**4,787,124**	**25,750**	**-**	**72,586,768**
Carrying Value as at 31 March 2026	**54,532,000**	**1,401,648**	**405,020**	**469,074**	**16,779**	**2,210,054**	**887,428**	**6,045,552**	**4,532,799**	**41,371**	**6,682,791**	**77,224,516**

Notes to the Financial Statements

	2026		2025		2024	
	Carrying value after revaluation Rs.	Carrying value at cost Rs.	Carrying value after revaluation Rs.	Carrying value at cost Rs.	Carrying value after revaluation Rs.	Carrying value at cost Rs.
Land	54,532,000	34,510,600	54,532,000	34,510,600	54,532,000	34,510,600
Buildings	1,401,648	320,719	1,484,100	374,175	1,566,550	427,628
Machinery	405,020	547,622	547,980	923,701	677,920	1,064,317
Tools and equipment	469,074	-	1,104,864	-	1,880,180	133,463
Office equipment	16,779	-	24,280	-	37,830	-
Computers	2,210,054	2,165,498	804,100	594,874	994,263	838,244
Furniture and fittings	887,428	509,938	724,518	96,089	986,895	134,440
Motor vehicles	6,045,552	625,000	8,552,052	1,205,318	10,171,833	2,308,021
Containers	4,532,799	3,662,599	7,787,124	198,936	1,560,000	402,000
Mobile Phones	41,371	41,050	25,750	-	-	-
Improvements	6,682,791	6,682,791	-	-	-	-
	77,224,516	**49,065,817**	**72,586,768**	**37,903,693**	**72,407,471**	**39,818,713**

4.1 Method of valuation of property, plant and equipment

The Company applies the revaluation model to all classes of property, plant and equipment.
An independent valuation was carried out as at 31 March 2023 by Mr. Sampath P. Dayaratne, FRICS, Chartered Valuation Surveyor, and the resulting fair values were incorporated into the financial statements from that date. Management has assessed whether there have been any significant changes in market conditions or asset-specific factors subsequent to the valuation date and concluded that there have been no material changes requiring a further revaluation as at 31 March 2026.

The fair values of the revalued property, plant and equipment have been determined in accordance with SLFRS 13 – Fair Value Measurement. The valuations have been categorised within Level 3 of the fair value hierarchy as the measurements incorporate significant unobservable inputs.

Principal revalued property

Location	Revaluation Date	Land Extent (Perches)	Fair Value as at 31 March 2023 Rs. Land	Building	Number of Buildings	Level of Fair value Hierarchy
Polgasowita	31 March 2023	38.9	38,900,000	1,649,000	3	Level 3

Valuation techniques and significant unobservable inputs

Asset class	Valuation technique	Value Rs	Significant unobservable inputs	Fair value hierarchy
Land	Market comparison approach based on recent market transactions for comparable properties	38,900,000	Market price per perch, location, accessibility, land characteristics	Level 3
Buildings	Depreciated replacement cost approach	1,700,000	Construction cost per square foot, physical condition, age, depreciation factors	Level 3
Machinery	Market approach/depreciated replacement cost approach	818,400	Current replacement cost, age, condition and remaining useful life	Level 3
Tools and equipment	Market approach/depreciated replacement cost approach	2,835,600	Current replacement cost, age, condition and remaining useful life	Level 3

Asset class	Valuation technique	Value Rs	Significant unobservable inputs	Fair value hierarchy
Office equipment	Market approach/depreciated replacement cost approach	52,100	Current market value, age and condition	Level 3
Computers	Market approach/depreciated replacement cost approach	1,164,800	Current market value, age and condition	Level 3
Furniture	Market approach/depreciated replacement cost approach	1,169,700	Current replacement cost, age and condition	Level 3
Containers and other equipment	Market approach/depreciated replacement cost approach	1,640,000	Current replacement cost, age and condition	Level 3
Motor vehicles	Market approach based on comparable market prices	12,220,000	Market selling prices, age, mileage and condition	Level 3

4.2 Fully Depreciated Assets still in Use

“The cost of fully depreciated asset (which are still in use) of the company amounts to Rs. 2,869,203/- (Rs. 901,500/- 2024/2025) as at the reporting date.”

4.3 Property, plant and equipment pledged as security

The following property, plant and equipment have been pledged as collateral security in respect of the Company’s banking facilities. Refer to Note 10.1 for full details of the facilities, outstanding balances, interest rates, and maturities.

Asset pledged	Pledged to	2026 Rs.	2025 Rs.
Land	Hatton National Bank PLC (Term Loan- primary mortgage; Permanent Bank Overdraft -secondary charge)	54,532,000	54,532,000
Motor vehicle(s)	DFCC Bank PLC (Short-term borrowing and LC facility)	6,045,552	8,552,052

The land carrying amount represents the fair value established at the most recent independent valuation (March 2023) and has not changed since revaluation. In addition to the above PPE, term deposits of Rs. 35,565,420 (2025: Rs. 32,363,396) are pledged as additional security for the HNB Permanent Bank Overdraft facility; these are disclosed in Note 7. Inventories and trade receivables are also pledged under the Seylan Bank STB facility; refer to Note 10.1.

4.4 Capital Work-in-Progress

	2026 Rs.	2025 Rs.	As at 01 April 2024 Rs.
Balance as at beginning of the year	5,497,816	-	-
Addtion	-	5,497,816	-
Closing balance as at end of the year	**5,497,816**	**5,497,816**	**-**

Notes to the Financial Statements

As at 31st March

	2026 Rs.	2025 Restated Rs.	As at 01 April 2024 Restated Rs.
5 Inventories			
Consumables	87,716,500	79,931,323	59,677,571
Work in progress	61,267,283	99,128,687	30,452,294
(-) Provision for inventory	(6,581,843)	(6,581,843)	(6,581,843)
	142,401,940	**172,478,167**	**83,548,022**
5.1 Balance as at 01 April			
	6,581,843	6,581,843	5,238,959
Charge for the year	-	-	1,342,884
Closing balance	**6,581,843**	**6,581,843**	**6,581,843**
6 Trade and other receivables			
Trade receivables **(Note 6.1)**	70,287,285	34,699,369	54,347,152
Refundable deposits	4,487,109	750,000	750,000
Staff receivables	304,028	484,028	386,478
Value Added Tax	8,190,818	10,235,500	4,501,347
Withholding Tax Receivable	504,952	-	-
Advance paid	4,385,372	29,718,804	29,841,323
	88,159,564	**75,887,701**	**89,826,300**
6.1 Trade receivables			
Trade receivables	77,557,438	40,303,195	61,292,627
Impairment Provision - Expected Credit Losses (Note 6.1.1)	(7,270,153)	(5,603,826)	(6,945,475)
	70,287,285	**34,699,369**	**54,347,152**
6.1 Impairment Provision - Expected Credit Losses			
Balance as at 01 April	5,603,826	6,945,475	1,366,624
Charge/(reversal) for the year	1,666,327	(1,341,649)	5,578,851
Closing balance	**7,270,153**	**5,603,826**	**6,945,475**
7 Cash and cash equivalents			
Favourable balances			
Cash at bank	19,255,629	19,469,384	13,043,153
Cash in hand	2,031,801	849,768	782,864
	21,287,430	**20,319,152**	**13,826,017**
Unfavourable balances			
Bank overdrafts	9,563,009	21,112,639	33,518,650
Cash and cash equivalents for the purpose of cash flow statement	**11,724,421**	**(793,487)**	**(19,692,633)**

Overdraft facility is the cash backed facility against term deposit and temporary overdraft facility. Interest on overdraft facility is charged rate of term deposit AWPLR plus 2%.

8 Stated capital

As at 31 March,	2026 Rs.	2025 Rs.	As at 01 April 2024 Rs.
Issued and fully paid			
Ordinary shares	76,429,460	76,429,460	76,429,460
	76,429,460	**76,429,460**	**76,429,460**

	No of Shares 2026 Nos’	2025 Nos’	2024 Nos’	Share Value 2026 Nos’	2025 Nos’	2024 Nos’
Balance as at 01 April	37,950,000	37,950,000	37,950,000	76,429,460	76,429,460	25,569,560
Issued during the year by rights issue	-	-	-	-	-	50,859,900
	37,950,000	37,950,000	37,950,000	-	-	-
Closing balance	**37,950,000**	**37,950,000**	**37,950,000**	**76,429,460**	**76,429,460**	**76,429,460**

9 Retirement benefits obligation

The employee retirement benefit obligation has been determined based on an actuarial valuation carried out by an independent professional actuary using the Projected Unit Credit (PUC) method as required by LKAS 19 – Employee Benefits.

9.1 Retirement benefits obligation movement

	2026 Rs.	2025 Rs.	As at 1st April 2024 Rs.
Balance at the Beginning of the Year	5,964,740	4,640,418	3,553,750
Current service cost	779,879	926,125	1,192,840
Net interest cost	596,474	436,695	355,375
(Surplus)/deficit recognised in other comprehensive income	(338,125)	123,502	(105,297)
Payments made during the year	(1,078,000)	(162,000)	(356,250)
Balance at the End of the Year	**5,924,968**	**5,964,740**	**4,640,418**

9.2 Actuarial assumptions

Assumption			
Discount rate	10%	10%	11%
Salary increment	10%	8.21%	10.65%
Staff turnover	11%	16.43%	20.13%
Retirement age	**60years**	**60years**	**60years**

9.3 Sensitivity analysis

Change to assumption	Effect on RBO Rs.	Effect on RBO Rs.	Effect on RBO Rs.
Discount rate +1%	5,567,534	5,664,948	4,443,147
Discount rate -1%	6,332,577	6,283,591	4,848,385
Salary increment +1%	6,354,792	6,285,973	4,847,136
Salary increment -1%	5,541,267	5,657,387	4,440,788

10 Bank borrowings

	2026 Rs.	2025 Rs.	2024 Rs.
Hatton National Bank PLC	6,333,326	10,166,647	3,833,321
People's Bank	-	-	8,591,121
	6,333,326	**10,166,647**	**12,424,442**
Payable within one year - current portion	2,000,004	3,833,321	10,591,125
Payable after one year - non current portion	4,333,322	6,333,326	1,833,317
Balance as at 01 April	**10,166,647**	**12,424,442**	**30,660,924**
Loan obtained during the year	-	10,000,000	-
Repayment made during the year	(3,833,321)	(12,257,795)	(18,236,482)
Closing balance	**6,333,326**	**10,166,647**	**12,424,442**

10.1 Facility details and asset pledged as securities

Bank/Facility	Loan/facility amount		Maturity	Rate	Security	Outstanding balance Rs.		Carring amount of assets pledged	
	2026 (Rs.)	2025 (Rs.)				2026 (Rs.)	2025 (Rs.)	2026 (Rs.)	2025 (Rs.)
HNB - Term loan - Letter of guarantee	20,000,000	20,000,000	7/31/2029	9% p.a.	Secured by land valued at Rs. 54.5 Mn & Fixed Deposits	6,333,326	10,166,647	54,532,000	54,532,000
HNB - STB - Letter of guarantee	42,000,000	50,000,000	Revolving	1.5%		16,253,782	49,373,094		
Seylan Bank PLC - STB - Letter of Guarantee/Import and LC	100,000,000	100,000,000	Revolving	AWPLR + 1.5%/ AWPLR + 2%	Mortgage over stock and debt/ Cash Build up	34,392,000	19,028,000	158,003,786	114,630,692
DFCC - STB - Import loan and LC	-	15,000,000	Revolving	AWPLR + 4.25%	Mortaged Company Vehicle, & Cash Buildup	-	-	8,000,000	8,000,000
DFCC - STB - Letter of Guarantee	10,000,000	10,000,000	Revolving	AWPLR + 4.25%		-	-		
HNB - Permanent Bank Overdraft	19,200,000	19,200,000	Payable on demand	AWPLR + 2%	Fixed deposit and land	9,563,009	21,112,639	90,097,420	86,895,396
Total bank facilities utilised						**66,542,117**	**99,680,380**		

11 Deferred tax liabilities

	2026 Rs.	2025 Restated Rs.	2024 Restated Rs.
Opening balance as at beginning of the year	4,538,482	6,121,622	9,262,606
Recognised in Profit or Loss	66,089	(1,546,089)	(3,172,573)
Recognised in Other comprehensive income	101,438	(37,051)	31,589
Closing balance as at the year end	**4,706,009**	**4,538,482**	**6,121,622**

The deferred tax liability is recognised on temporary differences are as follows:

	2026		2025 Restated		2024 Restated	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Temporary differences	Tax effect @ 30%	Temporary differences	Tax effect @ 30%	Temporary differences	Tax effect @ 30%
Taxable differences						
On property, plant and equipment	11,582,898	3,474,870	(1,404,391)	(421,317)	1,800,721	540,216
Revaluation Reserve	23,880,760	7,164,228	34,683,075	10,404,922	35,429,537	10,628,861
On retirement benefit obligation	(5,924,968)	(1,777,490)	(5,964,740)	(1,789,422)	(4,640,418)	(1,392,125)
On Provision for Inventory	(6,581,843)	(1,974,553)	(6,581,843)	(1,974,553)	(5,238,959)	(1,571,688)
On Expected credit losses	(7,270,153)	(2,181,046)	(5,603,826)	(1,681,148)	(6,945,475)	(2,083,642)
	15,686,694	**4,706,009**	**15,128,275**	**4,538,482**	**20,405,406**	**6,121,622**

12 Amount due to related parties

For the year ended 31 March,		2026 Rs.	2025 Rs.	2024 Rs.
	Relationship			
ACP Investment Pvt Ltd	Affiliate	1,200,000	-	-
Ideal Drive Pvt Ltd	Affiliate	4,243,653	-	-
Icon Engineering Pvt Ltd	Affiliate	198,269	-	-
		5,641,922	**-**	**-**

Amounts due to related parties is repayable on demand and no interest is charged.

Outstanding management fees relating to Amtek Engineering (Pvt) Ltd, and other payables to former Directors' Mrs. Deanna Ryde and Mr. Frank Anthony Ryde have been reclassified to other payables during the current year, as these parties were no longer related parties of the Company at the reporting date. Accordingly, these balances are not included in the amounts due to related parties at year-end. Refer to Note 14.

13 Short term bank borrowings

	2026 Rs.	2025 Rs.	2024 Rs.
Hatton National Bank PLC	16,253,782	49,373,094	33,196,850
Seylan Bank PLC	34,392,000	19,028,000	-
	50,645,782	**68,401,094**	**33,196,850**

Short-term borrowings are repayable in three months at AWPLR+2%.

14 Trade and other payables

Trade Payables (Note 14.1)	18,006,242	18,127,521	18,828,597
Other Payables (Note 14.2)	13,779,953	58,160,729	38,035,223
	31,786,195	**76,288,250**	**56,863,820**

Other payables include an amount of Rs. 2,020,000 payable to Amtek Engineering (Pvt) Ltd as management fees, office rent payable amounting to Rs. 210,000 due to former director, Mrs. Deanna Ryde, and other payables amounting to Rs. 1,021,414 due to former director, Mr. Frank Ryde. These balances have been reclassified from related party payables to other payables during the current year, as the respective parties were no longer directors of the Company at the reporting date. Accordingly, these balances are not presented as related party balances as at the reporting date and are included within other payables.

Notes to the Financial Statements

14.1 Trade payables

	2026 Rs.	2025 Rs.	2024 Rs.
	21,869,223	18,127,521	18,828,597
(-) Consultancy Fee payable	(1,200,000)	-	-
(-) New Head Office Rent	(2,662,981)	-	-
	18,006,242	**18,127,521**	**18,828,597**

14.2 Other payables

	2026 Rs.	2025 Rs.	2024 Rs.
Sales Commission Payable	165,301	250,856	1,512,044
Audit Fee Payable	2,582,500	1,150,000	1,000,000
Payroll Control Account	20,837	5,016,061	4,725,885
Office Rent Payable	210,000	260,000	360,000
ETF Payable	95,766	57,318	44,820
EPF Payable	644,989	388,673	355,721
Management Fee Payable	2,020,000	1,872,000	-
Director payables	-	-	-
Accrued Expenses	1,843,537	-	-
Mr.Frank	1,021,414	1,021,414	1,021,414
Alpha Engineering Solutions Pvt Ltd	(50,000)	-	-
Warranty Provision	250,000	250,000	250,000
Corporate Office Expenses Payable	-	282,803	(310,053)
Interest Payable	247,726	-	-
Suspense Account - Creditors	227	-	-
Advance Received	4,084,257	37,827,528	19,073,158
Staff Welfare Fund	363,725	247,523	95,523
PAYE PAYABLE	205,867	4,089,473	1,061,567
Stamp Duty Payable	4,956	-	-
Unidentified Advances	334,965	120,453	-
Withholding Tax Payable	-	(213,617)	680,825
SSCL Payable	1,461,371	5,488,789	8,164,319
Dividend Payable	51,455	51,455	-
	15,558,893	58,160,729	38,035,223
(-) New Head Office Rent	(1,580,671)	-	-
(-) Office and Admin Services	(198,269)	-	-
	13,779,953	**58,160,729**	**38,035,223**

15 Deferred Income

Contract liabilities (advance billings)	11,800,000	-	-
	11,800,000	**-**	**-**

The deferred income balance comprises advance payments received from Subasinghe Contractors relating to the NSBM project. Revenue amounting to Rs. 7.2 million has been recognised during the year, while the remaining balance of Rs. 11.8 million represents consideration received for performance obligations not yet satisfied and is recognised as deferred income at the reporting date.

16 Income tax payable

	2026 Rs.	2025 Rs.	2024 Rs.
Balance as at beginning of the year	19,602,715	11,929,987	2,946,463
Provision for the year	25,122,125	19,851,496	11,830,314
Payments made during the year	(30,144,390)	(12,178,768)	(2,846,790)
Closing balance as at end of the year	**14,580,450**	**19,602,715**	**11,929,987**

17 Revenue

	2026 Rs.	2025 Rs.
Foreign		
Sale of Goods	182,288	-
Service	41,502	-
Local		
Project income	366,613,488	331,531,270
Sale of Goods	47,103,403	30,553,380
Services	89,248,438	54,185,859
	503,189,119	**416,270,509**

18 Cost of sales

Opening inventory - consumables	79,931,323	59,677,571
Opening work in progress	99,128,687	30,452,294
Purchases	150,417,713	190,137,871
	329,477,723	**280,267,736**
Closing inventory - consumables	(87,716,500)	(79,931,323)
Cost of goods consumed	**241,761,223**	**200,336,413**
Direct expenses	102,683,154	139,499,022
	344,444,377	339,835,435
Less: Work in progress	(61,267,283)	(99,128,687)
	283,177,094	**240,706,748**

19 Profit from operations

Profit/(Loss) from operations is stated after charging all expenses including the following;

Auditors remuneration - external audit	1,897,332	1,344,120
Auditors remuneration - other services	972,500	-
Depreciation	4,844,993	4,609,794
Salaries and wages	71,713,211	58,263,259
Staff Bonus	2,915,730	3,374,055
Other Staff Cost	9,750,639	8,456,211
Defined Benefit Plan Cost - Retiring Benefit	1,376,353	1,362,820
Defined contribution plan costs - EPF and ETF	4,828,999	3,693,799
Non-Executive Direcors Fee	1,320,000	840,000
Management Fee - Executive Directors'	10,200,000	10,800,000
Trade debtors - Expected credit losses	1,666,327	(1,341,649)

Notes to the Financial Statements

20. Net Finance Expenses

20.1 Finance Income

	2026 Rs.	2025 Rs.
Interest Income - Fixed Deposits	3,418,728	2,138,320
Interest Income - Savings Accounts	940,963	947,819
Others	240,265	282,501
	4,599,956	**3,368,640**

20.2 Fnance expenses

Interest on bank overdrafts	994,699	1,664,115
Foreign exchange gain/loss	(9,625)	-
Short term loan interest	7,305,793	6,641,467
Long term loan interest	841,917	599,854
Bank charges	1,262,168	5,120,392
	10,394,952	**14,025,828**
Net Finance Expenses	**(5,794,996)**	**(10,657,188)**

21 Basic earning per share

Basic earnings per share is calculated by dividing the profit attributable to the equity holders by the weighted average number of ordinary shares in issue during the reporting period.

	2026 Rs.	2025 Restated Rs.
Net profit attributable to equity holders (Rs.)	51,971,029	41,432,483
Weighted average number of shares in issue	37,950,000	37,950,000
Earnings Per Share (Rs.)	1.37	1.09

22 Income tax expenses

For the year ended 31 March,	2026 Rs.	2025 Restated Rs.
Income tax for the year (Note 22.1)	25,122,125	20,100,263
Over provision of income tax	(385,089)	(248,766)
Deferred tax for the year (Note 11)	66,089	(1,564,089)
	24,803,125	**18,305,408**

In accordance with the provisions of the Inland Revenue Act No. 24 of 2017 (as amended), the Company is liable to income tax at the rate of 30% on its taxable profits. Current income tax for the year ended 31 March 2026 has been computed based on the taxable profit for the year at the applicable statutory tax rate. Deferred tax has been recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

For the year ended 31 March,		2026 Rs.	2025 Rs.
Accounting profit before tax		76,774,154	59,737,891
Adjustnments on SLFRS Adoption		-	(2,925,484)
Less: other source of income		(4,599,956)	(3,368,640)
Aggregate disallowed expenses		11,208,355	11,587,928
Aggregate allowed expenses		(4,221,341)	(1,399,459)
Statutory income from the business		79,161,212	63,632,236
Income from other sources			
Interest income		4,599,956	3,368,640
Total statutory income		**83,761,168**	**67,000,876**
Income tax expense on taxable income at 30%	30%	25,115,900	20,100,263
Income Tax on service rendered outside Sri Lanka at 15%	15%	6,225	-
Total		**25,122,125**	**20,100,263**

23 Transactions with related parties

Related pary	Nature of the relationship	Transaction	Transaction during the year		Closing balance payable	
			2026 Rs.	2025 Rs.	2026 Rs.	2025 Rs.
ACP Investment Pvt Ltd	Affiliate	Consultancy Fee	3,600,000	-	1,200,000	-
		Consultancy fee Paid	(2,400,000)			
Ideal Drive Pvt Ltd	Affiliate	New Head Office Rent	5,464,800	-	4,243,653	-
		Rent Paid	(1,221,147)			
Icon Engineering Pvt Ltd	Affiliate	Office and Admin Services	1,031,659	-	198,269	-
		Services Paid	(833,390)			

Refer Notes 12 and 14 for disclosures on cesation of certain related parties during the year, due to change in the management.

23.1 Transactions with key management personnel

The Board of the Directors of the Company are the members of the key management personnel of the company. Compensation paid to key management personnel of the company is as follows.

	Transaction during the year	
	2026 Rs.	2025 Rs.
Category		
Short-term employee benefits		
Director fees	1,320,000	840,000
Management fees	10,200,000	10,800,000
Total KMP compensation	**11,520,000**	**11,640,000**

The above short-term employee benefits include directors' fees and management fees paid to a former director amounting to Rs. 840,000 and Rs. 3,600,000, respectively. His directorship was ceased during the year as disclosed in Note 12 and 14.

Notes to the Financial Statements

Securities from related parties	Nature of the relationship	Security 2026	2025
ACP Investment Pvt Ltd	Affiliate	-	
Ideal Drive Pvt Ltd	Affiliate	-	
Icon Engineering Pvt Ltd	Affiliate	-	
Amtek Engineering (Pvt) Ltd	Affiliate	-	Corporate Guarantee Rs.95,000,000
Mr. Vijith Perera	Company director	-	Joint and several personal
Mr. Malindra Fernando	Company director	-	guarantees amounting to Rs.
Mr. Samud Gunasekara	Company director	-	77.5 Mn

Former directors and related entities are included where the related party relationship existed at the time the security was provided and remained effective during the reporting period, notwithstanding that they were no longer related parties at the reporting date. As at 31 March 2026, no securities or guarantees from either current or former related parties were outstanding.

24 Financial instruments - Financial Risk Management

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

24.1 Financial instrument categories

24.2.1 Financial instrument

	Basis	2026 Rs.	2025 Restated Rs.
FINANCIAL ASSETS			
Trade receivables (net)	Amortised cost	70,287,285	34,699,369
Term deposits	Amortised cost	35,565,420	32,363,396
Cash margin account	Amortised cost	184,535	4,073,411
Cash and bank balances	Amortised cost	21,287,430	20,319,152
FINANCIAL LIABILITIES			
Bank borrowings	Amortised cost	66,542,117	99,680,380
Trade and other payables	Amortised cost	31,786,195	76,288,250
Amount due to related parties	Amortised cost	5,641,922	-
		231,294,905	**267,423,958**

24.2 Exposure to credit risk

The carrying amounts of financial assets represent the Company's maximum exposure to credit risk as at the reporting date. Credit risk arises principally from trade and other receivables and deposits held with financial institutions. The Company manages this risk by dealing with reputable counterparties and continuously monitoring outstanding balances.

	2026 Rs.	2025 Restated Rs.
Trade receivables	77,557,438	40,303,195
Less: ECL impairment provision	(7,270,153)	(5,603,826)
Net trade receivables	70,287,285	34,699,369
Cash at bank	19,255,629	19,469,384
Term deposits	35,565,420	32,363,396
Cash margin	184,535	4,073,411
Total maximum credit exposure	**125,292,869**	**90,605,560**

24.2.1 Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including the default risk of the industry and area in which customers operate, as these factors may have an influence on credit risk.

The Company is closely monitoring the economic environment in the country and is taking actions to limit its exposure to customers in the country experiencing particular economic volatility.

The maximum exposure to credit risk for trade receivables at the end of the reporting period by type of counterparty is as follows:

	2026 Rs.	2025 Restated Rs.
Trade receivables		
Domestic	77,557,438	40,303,195
	77,557,438	**40,303,195**

Impairment losses

The ageing of trade receivables at the reporting date was;

	Gross 2026 Rs.	Impairment 2026 Rs.	Gross 2025 Rs.	Impairment 2025 Rs.
Not past due (0–30 days)	43,310,319	(721,765)	11,401,684	(422,560)
Past due 31–90 days	9,649,564	(365,812)	19,373,098	(1,471,753)
Past due 91–180 days	17,453,530	(2,527,678)	3,644,215	(745,601)
Past due 181–365 days	3,313,970	(1,095,111)	2,933,739	(1,074,561)
Past due more than 365 days	3,830,055	(2,559,787)	2,950,459	(1,889,351)
	77,557,438	**(7,270,153)**	**40,303,195**	**(5,603,826)**

The movement in the allowance for impairment in respect of trade receivable during the year is given in Note 6.1.

24.2.2 Cash and Cash Equivalents

The Company held cash and cash equivalents of Rs. 21,287,430/= as at 31 March 2026 (Rs. 20,319,152/= as at 31 March 2024) and thees balances are with licensed Commercial Banks of Sri Lanka, which represents its maximum credit exposure on these asset.

Respective credit ratings of banks which Company's deposit and balances held are as follows:
Hatton National Bank PLC - AA- (lka)
Commercial Bank of Ceylon PLC – AA- (lka)
People's Bank – AA- (lka)
Seylan Bank PLC - A+(lka)
DFCC Bank PLC – A(lka)

Notes to the Financial Statements

24.2.3 Collateral Held

As at 31 March 2026, the Company did not hold any collateral or other credit enhancements against its financial assets.

24.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity issues can have an adverse impact on ongoing operations as well as investment decisions of the Company. In order to minimise the risk, the Company regularly reviews its liquidity position and reports to the Board. Future cash requirements are ascertained through continuous rolling forecasts. Further, the expected cash inflows from trade receivables, outflows from trade payables and imports are closely monitored by the Company.

		2026		2025	
		Rs. Facilit Amounts	Rs. Utilization Utilisation	Rs. Facility Amounts	Rs. Utilization
Hatton National	Short term bank loans	42,000,000	16,253,782	50,000,000	49,373,094
Bank PLC	Loan term bank loans	20,000,000	6,333,326	20,000,000	10,166,647
	Bank overdraft	19,200,000	9,563,009	19,200,000	21,112,639
Seylan Bank PLC	Short term bank loans	50,000,000	34,392,000	50,000,000	19,028,000
DFCC Bank	Short term bank loans	-	-	15,000,000	15,000,000

24.3.1 Maturity Analysis

The maturity profile of the Company's financial liabilities based on contractual cashflows is stated bellow.

As at 31 March 2026	Carrying Value Rs.	Contractual Cash Flows Rs.	Less than 3 Months Rs.	3-12 Months Rs.	More than 12Months Rs.
Bank borrowings	6,333,326	6,333,326	500,001	1,500,003	4,333,322
Amount due to related parties	5,641,922	5,641,922	5,641,922	-	-
Short term borrowing	50,645,782	50,645,781	50,645,781	-	-
Trade & other payables	31,786,195	31,786,195	31,786,195	-	-
Bank overdrafts	9,563,009	9,563,009	9,563,009	-	-
	103,970,234	**103,970,233**	**98,136,908**	**1,500,003**	**4,333,322**

As at 31 March 2025	Carrying Value Rs.	Contractual Cash Flows Rs.	Less than 3 Months Rs.	3-12 Months Rs.	More than 12Months Rs.
Bank borrowings	10,166,647	10,166,647	1,000,002	3,000,006	6,166,639
Amount due to related parties	-	-	-	-	-
Short term borrowing	68,401,094	68,401,094	68,401,094	-	-
Trade & other payables	76,288,250	76,288,250	76,288,250	-	-
Bank overdrafts	21,112,639	21,112,639	21,112,639	-	-
	175,968,630	**175,968,630**	**166,801,985**	**3,000,006**	**6,166,639**

24.4 Market risk

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

24.4.1 Currency risk

The Company is exposed to foreign currency risk arising from sales and purchases denominated in currencies other than its functional currency, primarily United States Dollars (USD) and Great Britain Pounds (GBP). However, the Company did not enter into any foreign currency transactions during the financial year ended 31 March 2026. Accordingly, there was no significant exposure to foreign currency risk as at the reporting date.

The following significant exchange rates were applied during the previous year:

As at 31 March 2025,	Average Rate 2025
USD	296.35
EURO	319.86

The Company is exposed to changes in currency rates on purchase is stated below.

As at 31 March 2025,	Profit/Loss 10% Increase	10% Decrease
USD	(1,136,882)	1,136,882
EURO	(167,342)	167,342
	(1,304,224)	**1,304,224**

24.4.2 Interest rate risk

Interest rate risk is the risk to the Company's earnings and economic value of equity ("EVE") arising from adverse movements in interest rates.

As at 31 March,	2026 Rs.	2025 Rs.
Variable rate instruments		
Financial liabilities		
Short term bank borrowings	50,645,782	68,401,094
Bank overdrafts	9,563,009	21,112,639
	60,208,791	**89,513,733**

Sensitivity Analysis for Variable Rate Instruments (100bps sensitivity)

The Company is exposed to changes in market interest rates through its bank borrowings that are subject to variable interest rates. The sensitivity analysis below has been prepared assuming a 100 basis point (1%) increase or decrease in interest rates at the reporting date. The impact on profit or loss has been calculated based on the Company's variable-rate borrowings outstanding during the year.

		2026 Rs.	2025 Rs.
Interest Expenses	Effect of 100bps increase on PBT	602,088	895,137
	Effect of 100bps decrease on PBT	(602,088)	(895,137)

Notes to the Financial Statements

25. Capital Management

	2026 Rs.	2025 Rs.
Total borrowings (bank + overdrafts)	66,542,117	99,680,380
Less: Cash and cash equivalents	(21,287,430)	(20,319,152)
Net debt	45,254,687	79,361,228
Total equity	229,339,560	177,131,844
Capital employed	274,594,247	256,493,072
Gearing ratio	**16.48%**	**30.94%**

26. Going Concern

As disclosed in Note 2.1.5, the financial statements have been prepared on a going concern basis. The Directors have assessed the Company's ability to continue as a going concern and are satisfied that the Company has adequate resources to continue its operations for the foreseeable future. In making this assessment, the Directors considered the Company's profitability, operating cash flows, liquidity position, available banking facilities and future business prospects. Accordingly, no material uncertainties have been identified that may cast significant doubt on the Company's ability to continue as a going concern.

27. Contingent Liabilities and Commitments

There have been no significant contingencies or commitments as at the end of the reporting period that require adjustments to, or disclosures, in the financial statements.

28. Events After the Reporting Date

The Directors have considered all events occurring after the reporting date and up to the date of approval of these financial statements. No events have occurred that would require adjustment to, or disclosure in, these financial statements.

29. Comparative Information

Comparative figures have been re-classified where necessary in line with the presentation requirements for the current period.

30. Regulatory and Statutory Disclosures

30.1 Companies Act and CSE Empower Board compliance

Prepared in accordance with Companies Act No. 7 of 2007 and complies with Section 151 thereof. As a company listed on the Empower Board of the Colombo Stock Exchange under the Securities and Exchange Commission Act No. 36 of 1987, the following additional disclosures are made:

30.2 Change in accounting framework

With effect from the year ended 31st March 2026, the Company changed its accounting framework from SLFRS for SMEs to full SLFRS, as required for listed companies under the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995. This change was announced to the Colombo Stock Exchange on 19th August 2026

Shareholders' Information

The issued ordinary shares of the Company is 37,950,000

Largest 20 Shareholders as at 31 March 2026

	Name	No of Shares 2026	%
1	SEYLAN BANK PLC/ARCASIA INVESTMENTS & TRADING (PVT) LTD	10,179,913	26.82%
2	DFCC BANK PLC/ATX PARTNERS PVT LTD	9,492,610	25.01%
3	JBJ HOLDINGS	3,149,850	8.30%
4	MR. D.A. RYDE	1,690,500	4.45%
5	MR. F.A. RYDE	1,690,500	4.45%
6	ASSETLINE FINANCE PLC/C.DISSANAYAKE	1,204,000	3.17%
7	MR. J.R. VICTORIA	800,734	2.11%
8	HATTON NATIONAL BANK PLC/RANIL NILHAN DE SARAM	644,571	1.70%
9	COMMERCIAL BANK OF CEYLON PLC/H.S. DISSANAYAKE	445,275	1.17%
10	SEYLAN BANK PLC/K.L.G.UDAYANANDA	349,831	0.92%
11	MR. B.P.M. MENDIS	329,000	0.87%
12	MRS. W.G.C. DILRUKSHI	209,500	0.55%
13	MR. A.N.K. LIYANAGE	205,002	0.54%
14	ULTRAKLEEN PRIVATE LIMITED	199,231	0.52%
15	PMF FINANCE PLC/M.S.HAMZADEEN	180,001	0.47%
16	MRS. K.I.P. PERERA	177,528	0.47%
17	MR. M.C. FERNANDO	152,557	0.40%
18	MR. U.G. GIHAN MADUSANKA UDAGAMA	152,512	0.40%
19	MR. J.B.C. DE SILVA	150,191	0.40%
20	DR. A.A.M. DHARMADASA	146,897	0.39%
	Others	6,399,797	16.86%
	Total	**37,950,000**	**100.00%**

Public Holding	2026	2025
Public Holding - No of Shares	11,756,627	9,387,629
Public Holding as a % of Total Issued Shares	30.98%	24.74%
Total No. of Shareholders as at 31 March 2026	925	436

Directors' Shareholding	No of Shares 2026	2025
Mr. Kurukulasooriya Mark Anthony Viraj Fernando	10,000	Nil
Mr. Jerome Anthony Rayner Wijeyesinghe	Nil	Nil
Mr. Athukorala Udumulla Asantha Menaka Athukorala	Nil	Nil
Mr. Duminda Mahali Weerasekara	Nil	Nil
Mr. Mestiyage Don Janaka Ravi Goonethileke	Nil	Nil
Mr. Thira Ravindu Gajavikum Kalamulla	Nil	Nil

Share Price	31-Mar-26	31-Mar-25
Highest Price	48.70	9.50
Lowest Price	26.50	7.30
Last Traded Price	35.50	8.80

Notice of the Annual General Meeting

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fifth (5th) Annual General Meeting (Post Listing) of ALPHA FIRE SERVICES PLC will be held Digitally via an online platform mode on Monday 21st September 2026 at 3.00 p.m. for the following purposes:

1. To receive and consider the Report of the Directors for the year ended 31st March 2026.
2. To receive and consider the Financial Statements of the Company for the year ended 31st March 2026 together with the Auditors' Report thereon.
3. To re-elect JEROME ANTHONY RAYNER WIJEYESINGHE retires at the Annual General Meeting in terms of Article 85 of the Articles of Association as a Director of the Company. The aforesaid JEROME ANTHONY RAYNER WIJEYESINGHE has consented to be re-elected as a Director of the Company.
4. To re-elect DUMINDA MAHALI WEERASEKARE retires at the Annual General Meeting in terms of Article 85 of the Articles of Association as a Director of the Company. The aforesaid DUMINDA MAHALI WEERASEKARE has consented to be re-elected as a Director of the Company.
5. To authorise the Directors to determine the remuneration of the Auditors, Messers K.P.M.G. Ford Rhodes who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007.

By order of the Board
F. Shama Ismail
Company Secretary
31st August 2026
Colombo

NOTES

1) Attendance of the Chairman and the Board of Directors

The Chairman/Managing Director, Board of Directors certain Key Management Personnel, the Company Secretary, and the External Auditors will be present together at the Registered Office of the Company with the Registrars of the Company in attendance. The Shareholders will join via the designated online platform on 21st September 2026 at 3.00. p.m.

I. Shareholder Participation

a. The Shareholders are encouraged to appoint a Director of the Company as their proxy to represent them at the meeting.

b. The Shareholders may also appoint any other persons other that a Director of the Company as their proxy and the proxy so appointed shall participate at the meeting either physically or through audio- or audio-visual means.

c. The shareholders who will be participating the meeting online will be able to join the meeting through audio or audio visual means. To facilitate this process, the shareholders are required to furnish the details of the shareholder and proxy holder, if any, by perfecting Annexure II to the circular to shareholders and forward same to Company Secretary via shama@virtualmng.lk to reach the Secretary not less than five (05) days before the date of the meeting so that the meeting login information could be forwarded to the e-mail address as provided herein. The circular to the shareholders will be posted to all the shareholders along with the Notice of Meeting and the Form of Proxy.

d. To facilitate the appointment of proxies, the Form of Proxy is attached hereto and the duly filed Form of Proxy should be sent to reach the Company Secretary via shama@virtualmng.lk Or by post to the Registered Office of the Company Alpha Fire Services PLC Level 08, 100/1 , Elvitigala Mawatha, Colombo 08, not less than forty – eight (48) hours before the time fixed for the meeting.

II. Shareholder's queries

The shareholders are hereby advised that if they wish to raise any queries, such queries should be sent to reach the Company Secretary, via email to shama@virtualmng.lk or post to the Registered Office of the Company, Alpha Fire Services PLC, Registered Office of the Company Alpha Fire Services PLC Level 08, 100/1 , Elvitigala Mawatha, Colombo 08 Sri Lanka not less than Five (05) days before the date of the meeting. This is in order to enable the Company Secretary to compile the queries and forward same to the attention of the Board of Directors so that same could be addressed at the meeting.

2. The Annual Report of the Company for the year 2025/2026 will be available for perusal of the Company website https://alphafire.lk/and the Colombo Stock Exchange website on www.cse.lk

3. In the event a shareholder requires a hard copy/CD of the Annual Report, the request should be sent in writing to reach the Company Secretary, via email to shama@virtualmng.lk or post to the Registered Office of the Company Alpha Fire Services PLC Level 08, 100/1 , Elvitigala Mawatha, Colombo 08 Sri Lanka not less than fourteen (14) days before the date of the meeting setting out the name, mailing address and contact number of the shareholder along with the number of shares held by such shareholder and the CDS number allocated to the shareholder. The Company will strictly adhere to this timeline in order that the hard copy/CD reaches the shareholder requesting the same.

Notes

Form of Proxy

Folio NO.	

(Please write your Folio Number)

I/We...of

....being a member /

members of **Alpha Fire Services PLC** hereby appoint..of.. whom failing.

Athukorala Udamullage Asantha Menaka Athukorala	or failing him
Kurukulasooriya Mark Anthony Viraj Fernando	or failing him
Jerome Anthony Rayner Wijeyesinghe	or failing him
Duminda Mahali Weerasekare	or failing him
Thira Ravindu Gajavikum Kalamulla	or failing him
Mestiyage Don Janaka Ravi Goonetilleke	or failing him

as my/our proxy to represent me/us and speak/vote on my/our behalf at the Annual General Meeting of the Company to be held on Monday 21st September 2026 at 3.00 p.m. and at any adjournment thereof and at every poll which may be taken in consequence of the above said meeting. I/We the undersigned hereby authorise my/our Proxy to vote on my/our behalf in accordance with the preference indicated below:

Please delete the inappropriate words

	For	Against
1) To receive and consider the Report of the Directors for the year ended 31st March 2026 together with the Auditors' Report thereon		
2) To receive and consider the Financial Statements of the Company for the year ended 31st March 2026 together with the Auditors' Report thereon		
3) To appoint JEROME ANTHONY RAYNER WIJEYESINGHE who retires by rotation at the Annual General Meeting in terms of Article 85 of the Articles of Association as a Director of the Company.		
4) To appoint DUMINDA MAHALI WEERASEKARE who retires by rotation at the Annual General Meeting in terms of Article 85 of the Articles of Association as a Director of the Company.		
5) To authorise the Directors to determine the remuneration of the Auditors, Messrs K P M G Ford Rhodes who are deemed to have been reappointed as Auditors in terms of Section 158 of the Companies Act No.07 of 2007.		

Signed on this ....day of ....Two Thousand and Twenty Six

..............................Signature/s

Instruction for Proxy

Instructions for Completion of Form of Proxy

1. Kindly perfect the Form of Proxy by filling in the mandatory details required above, signing in the space provided and filling in the date of signature.
2. If the Form of Proxy is signed by an Attorney, the relative power of attorney should also accompany the proxy form for registration, if such power of attorney has not already been registered with the Company.
3. In the case of a Company/Corporation, the Form of Proxy shall be executed in the manner specified in the Articles of Association.
4. In the absence of any specific instructions as to voting, the proxy may use his/her discretion in exercising the vote on behalf of his appointer.
5. Duly filled Forms of Proxy should be sent to reach the Company Secretary via e-mail to shama@virtualmng.lk or by post to the registered address of the Company, Alpha Fire Services PLC Level 08, 100/1 , Elvitigala Mawatha, Colombo 08 , Sri Lanka not less than forty eight (48) hours before the time fixed for the meeting.

Please provide the following details (mandatory)

NIC/PP/Company Registration No. of the Shareholder/s :..

Folio No: ....

E.mail address of the Shareholder/(s) or proxy holder (other than a Director appointed as proxy) :

....

Mobile No :

....

Fixed Line :

....

Corporate Information

The Company	Alpha Fire Services PLC
Registered Office	No. 100/1, 8th Floor, Elvitigala Mawatha, Colombo 08 Sri Lanka. Tel: +94 777 747 73117 / 0112 508 888 info@alphafire.lk Web: http://alphafire.lk
Legal Form of the Company	Incorporated in Sri Lanka on May 07, 2003 and reregistered on October 16, 2007 as a Private Limited Liability Company under the provisions of Companies Act No. 7 of 2007. The legal form of the company was changed from Limited Company to Public Listed Company under provision of the section 8 of the Companies Act No. 07 of 2007 on July 04, 2022.
Company Registration Number (as a Public Company)	PQ 00248999
Place of Incorporation	Colombo, Sri Lanka.
Company Secretaries	Ms. F. S. Ismail 168/5, Elvitigala Mawatha, Colombo 08, Sri Lanka. Tel: +94 11 2695009
Auditors	M/s KPMG (Chartered Accountants) 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03, Sri Lanka. Tel: +94 11 5426426 Fax: +94 11 2445872
Board of Directors	Mr. Athukorala Udamullage Asantha Menaka Athukorala Chairman Mr. Kurukulasooriya Mark Anthony Viraj Fernando Managing Director Mr. Jerome Anthony RaynerWijeyesinghe Director - Executive Mr. Duminda Mahali Weerasekare Independent Non-Executive Director Mr. Mestiyage Don Janaka Ravi Goonetilleke Independent Non-Executive Director Mr. Thira Ravindu Gajavikum Kalamulla Independent Non-Executive Director

Concept & Designed by
Copyline
a great equation

ALPHA FIRE
SERVICES PLC

alphafire.lk