

**Access Engineering PLC**  
**Financial Statements**  
**For the Period Ended 30th September 2018**

ACCESS ENGINEERING PLC  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30TH SEPTEMBER 2018



| In LKR   | Group                        |                 |                                 |                  | Company                      |                 |                                 |                 |
|--|------------------------------|-----------------|---------------------------------|------------------|------------------------------|-----------------|---------------------------------|-----------------|
|  | Quarter ended 30th September |                 | Six months ended 30th September |                  | Quarter ended 30th September |                 | Six months ended 30th September |                 |
|  | 2018                         | 2017            | 2018                            | 2017             | 2018                         | 2017            | 2018                            | 2017            |
| Revenue  | 7,829,390,957                | 6,873,554,591   | 13,626,685,898                  | 12,128,864,898   | 5,301,502,928                | 4,980,405,715   | 8,658,727,347                   | 8,778,310,341   |
| Cost of sales  | (6,480,650,267)              | (5,983,926,178) | (11,287,472,799)                | (10,052,990,380) | (4,448,339,841)              | (4,192,179,904) | (7,333,451,142)                 | (7,176,313,479) |
| <b>Gross profit</b>  | <b>1,348,740,690</b>         | 889,628,413     | <b>2,339,213,099</b>            | 2,075,874,518    | <b>853,163,087</b>           | 788,225,811     | <b>1,325,276,205</b>            | 1,601,996,862   |
| Other income   | 133,208,540                  | 28,752,933      | 202,710,843                     | 35,543,152       | 536,825,349                  | 49,706,467      | 554,844,202                     | 57,637,241      |
| Administrative expenses                                      | (420,060,040)                | (433,332,241)   | (852,803,801)                   | (800,342,241)    | (191,442,691)                | (175,894,769)   | (351,107,347)                   | (327,065,231)   |
| Other expenses   | (3,789,584)                  | (4,859,352)     | (8,069,474)                     | (14,065,188)     | (3,529,801)                  | (4,391,436)     | (6,910,072)                     | (10,908,449)    |
| <b>Operating profit</b>                                      | <b>1,058,099,606</b>         | 480,189,753     | <b>1,681,050,667</b>            | 1,297,010,242    | <b>1,195,015,944</b>         | 657,646,073     | <b>1,522,102,988</b>            | 1,321,660,423   |
| Net finance cost   | (177,607,386)                | (92,931,258)    | (329,647,413)                   | (144,788,277)    | (135,202,428)                | (103,806,264)   | (272,105,744)                   | (190,859,772)   |
| Share of results of equity-accounted investees, net of tax   | (3,691,286)                  | 6,853,733       | (6,060,779)                     | 10,451,076       | -                            | -               | -                               | -               |
| <b>Profit before tax</b>                                     | <b>876,800,934</b>           | 394,112,228     | <b>1,345,342,475</b>            | 1,162,673,040    | <b>1,059,813,516</b>         | 553,839,809     | <b>1,249,997,244</b>            | 1,130,800,651   |
| Income tax expenses  | (232,372,970)                | (131,593,060)   | (324,946,130)                   | (284,242,816)    | (181,816,848)                | (70,373,848)    | (233,794,246)                   | (144,442,374)   |
| <b>Profit for the period</b>                                 | <b>644,427,964</b>           | 262,519,168     | <b>1,020,396,345</b>            | 878,430,224      | <b>877,996,668</b>           | 483,465,961     | <b>1,016,202,998</b>            | 986,358,277     |
| <b>Profit attributable to:</b>                               |                              |                 |                                 |                  |                              |                 |                                 |                 |
| Equity holders of the parent                                 | 630,622,254                  | 305,780,453     | 995,553,568                     | 899,429,939      | 877,996,668                  | 483,465,961     | 1,016,202,998                   | 986,358,277     |
| Non-controlling interest                                     | 13,805,710                   | (43,261,285)    | 24,842,777                      | (20,999,715)     | -                            | -               | -                               | -               |
| <b>Profit for the period</b>                                 | <b>644,427,964</b>           | 262,519,168     | <b>1,020,396,345</b>            | 878,430,224      | <b>877,996,668</b>           | 483,465,961     | <b>1,016,202,998</b>            | 986,358,277     |
| <b>Other comprehensive income</b>                            |                              |                 |                                 |                  |                              |                 |                                 |                 |
| <b>Items that will not be reclassified to profit or loss</b> |                              |                 |                                 |                  |                              |                 |                                 |                 |
| Remeasurement of defined benefit liability                   | (283,450)                    | (1,183,842)     | (1,067,090)                     | 4,577,275        | (1,750,000)                  | (1,762,373)     | (3,500,000)                     | 3,420,215       |
| Related tax  | 471,016                      | (58,135)        | 942,032                         | (742,845)        | 490,000                      | -               | 980,000                         | (626,575)       |
| <b>Other comprehensive income for the period, net of tax</b> | <b>187,566</b>               | (1,241,977)     | <b>(125,058)</b>                | 3,834,430        | <b>(1,260,000)</b>           | (1,762,373)     | <b>(2,520,000)</b>              | 2,793,640       |
| <b>Total comprehensive income for the period, net of tax</b> | <b>644,615,530</b>           | 261,277,191     | <b>1,020,271,287</b>            | 882,264,654      | <b>876,736,668</b>           | 481,703,588     | <b>1,013,682,998</b>            | 989,151,917     |
| <b>Total comprehensive income attributable to:</b>           |                              |                 |                                 |                  |                              |                 |                                 |                 |
| Equity holders of the parent                                 | 630,560,759                  | 304,499,042     | 994,930,389                     | 903,185,501      | 876,736,668                  | 481,703,588     | 1,013,682,998                   | 989,151,917     |
| Non-controlling interest                                     | 14,054,771                   | (43,221,851)    | 25,340,898                      | (20,920,847)     | -                            | -               | -                               | -               |
| <b>Total comprehensive income for the period, net of tax</b> | <b>644,615,530</b>           | 261,277,191     | <b>1,020,271,287</b>            | 882,264,654      | <b>876,736,668</b>           | 481,703,588     | <b>1,013,682,998</b>            | 989,151,917     |
| <b>Basic earnings per share</b>                              | <b>0.63</b>                  | 0.31            | <b>1.00</b>                     | 0.90             | <b>0.88</b>                  | 0.48            | <b>1.02</b>                     | 0.99            |

The Accounting Policies and Notes form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.  
The above figures are subject to the Audit.

ACCESS ENGINEERING PLC  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH SEPTEMBER 2018



| In LKR   | Group                   |                       | Company                 |                       |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
|  | 30.09.2018<br>Unaudited | 31.03.2018<br>Audited | 30.09.2018<br>Unaudited | 31.03.2018<br>Audited |
| <b>Assets</b>  |                         |                       |                         |                       |
| <b>Non-current assets</b>                                  |                         |                       |                         |                       |
| Property, plant and equipment                              | 5,233,484,159           | 5,980,093,102         | 3,136,616,539           | 3,270,611,938         |
| Investment properties                                      | 10,720,731,370          | 10,713,949,513        | 415,800,000             | 415,800,000           |
| Investment properties- work in progress                    | 464,892,026             | 402,478,308           | -                       | -                     |
| Intangible assets and goodwill                             | 1,418,723,911           | 1,400,829,854         | 48,405,943              | 52,973,724            |
| Investments in subsidiaries                                | -                       | -                     | 13,230,857,707          | 13,729,275,147        |
| Equity-accounted investees                                 | 1,184,695,438           | 1,191,865,526         | 1,155,465,410           | 1,155,465,410         |
| Non-current financial assets                               | 1,481,764,434           | 1,482,032,531         | 1,010,417,226           | 1,007,045,205         |
|  | <b>20,504,291,338</b>   | <b>21,171,248,834</b> | <b>18,997,562,825</b>   | <b>19,631,171,424</b> |
| <b>Current assets</b>                                      |                         |                       |                         |                       |
| Inventories  | 6,702,062,187           | 6,085,842,007         | 1,611,242,413           | 1,617,818,301         |
| Trade and other receivables                                | 12,611,727,470          | 11,249,413,659        | 9,552,924,637           | 8,539,769,405         |
| Amount due from related parties                            | 271,907,067             | 199,685,811           | 374,902,940             | 236,849,747           |
| Current tax assets   | 16,445,262              | 66,116,571            | -                       | 60,699,819            |
| Other current financial assets                             | 2,469,427,884           | 2,195,368,035         | 2,245,281,814           | 2,010,995,242         |
| Short term investments                                     | 28,952,610              | 35,560,781            | 28,952,610              | 35,560,781            |
| Short term deposits  | 2,229,504,831           | 2,041,431,464         | 292,084,093             | 279,511,813           |
| Cash and cash equivalents                                  | 997,146,573             | 1,394,098,390         | 428,892,273             | 577,006,066           |
|  | <b>25,327,173,884</b>   | <b>23,267,516,718</b> | <b>14,534,280,780</b>   | <b>13,358,211,174</b> |
| <b>Total Assets</b>  | <b>45,831,465,222</b>   | <b>44,438,765,552</b> | <b>33,531,843,605</b>   | <b>32,989,382,598</b> |
| <b>Equity and liabilities</b>                              |                         |                       |                         |                       |
| <b>Equity</b>  |                         |                       |                         |                       |
| Stated capital   | 9,000,000,000           | 9,000,000,000         | 9,000,000,000           | 9,000,000,000         |
| Revaluation reserve  | 258,655,126             | 404,698,445           | 152,660,185             | 152,660,185           |
| Retained earnings  | 12,494,788,406          | 11,375,847,076        | 9,706,597,428           | 8,714,965,150         |
| <b>Equity attributable to equity holders of the parent</b> | <b>21,753,443,532</b>   | <b>20,780,545,521</b> | <b>18,859,257,613</b>   | <b>17,867,625,335</b> |
| Non-controlling interest                                   | 2,325,048,029           | 2,299,725,473         | -                       | -                     |
| <b>Total equity</b>  | <b>24,078,491,561</b>   | <b>23,080,270,994</b> | <b>18,859,257,613</b>   | <b>17,867,625,335</b> |
| <b>Non-current liabilities</b>                             |                         |                       |                         |                       |
| Government grant   | 5,923,485               | 5,923,485             | -                       | -                     |
| Loans and borrowings                                       | 5,117,807,193           | 5,137,825,136         | 5,190,961,109           | 5,188,152,872         |
| Employee benefits  | 256,110,155             | 238,920,256           | 191,292,590             | 178,275,827           |
| Deferred tax liabilities                                   | 1,084,652,753           | 1,157,536,815         | 574,563,731             | 590,652,004           |
|  | <b>6,464,493,586</b>    | <b>6,540,205,692</b>  | <b>5,956,817,430</b>    | <b>5,957,080,703</b>  |
| <b>Current liabilities</b>                                 |                         |                       |                         |                       |
| Bank overdrafts  | 691,829,644             | 564,712,154           | -                       | -                     |
| Trade and other payables                                   | 10,670,354,196          | 10,116,721,429        | 7,531,153,628           | 7,218,909,464         |
| Amount due to related parties                              | 90,970,148              | 68,558,191            | 8,300,552               | 31,541,539            |
| Loans and borrowings                                       | 3,637,287,668           | 3,948,402,215         | 1,029,618,048           | 1,904,960,917         |
| Current tax liabilities                                    | 160,617,178             | 88,268,191            | 134,287,817             | -                     |
| Unclaimed dividends  | 37,421,241              | 31,626,686            | 12,408,517              | 9,264,640             |
|  | <b>15,288,480,075</b>   | <b>14,818,288,866</b> | <b>8,715,768,562</b>    | <b>9,164,676,560</b>  |
| <b>Total liabilities</b>                                   | <b>21,752,973,661</b>   | <b>21,358,494,558</b> | <b>14,672,585,992</b>   | <b>15,121,757,263</b> |
| <b>Total equity and liabilities</b>                        | <b>45,831,465,222</b>   | <b>44,438,765,552</b> | <b>33,531,843,605</b>   | <b>32,989,382,598</b> |
| <b>Net asset per share</b>                                 | <b>21.75</b>            | <b>20.78</b>          | <b>18.86</b>            | <b>17.87</b>          |

The Accounting Policies and Notes form an integral part of these Financial Statements.

The Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.

.....  
**Deputy General Manager -Finance**

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.  
Approved and signed for and on behalf of the Board of Directors of Access Engineering PLC.

.....  
**Director**

06th November 2018  
Colombo.

.....  
**Director**

| Group   | Attributable to equity holders of the parent |                     |                       |                       |                           | Total equity          |
|---|--|---------------------|-----------------------|-----------------------|---------------------------|-----------------------|
|   | Stated capital                               | Revaluation reserve | Retained earnings     | Total                 | Non-controlling interests |                       |
| <b>In LKR</b>   |  |                     |                       |                       |                           |                       |
| <b>Balance at 01st April 2017</b>                                   | <b>9,000,000,000</b>                         | <b>249,969,954</b>  | <b>9,589,746,941</b>  | <b>18,839,716,895</b> | <b>2,711,502,144</b>      | <b>21,551,219,039</b> |
| Profit for the period   | -  | -                   | 899,429,939           | 899,429,939           | (20,999,715)              | 878,430,224           |
| Other comprehensive income, net of tax                              | -  | -                   | 3,755,562             | 3,755,562             | 78,868                    | 3,834,430             |
| <b>Total comprehensive income for the period</b>                    | <b>-</b>                                     | <b>-</b>            | <b>903,185,501</b>    | <b>903,185,501</b>    | <b>(20,920,847)</b>       | <b>882,264,654</b>    |
| Cash dividends  | -  | -                   | (200,000,000)         | (200,000,000)         | -                         | (200,000,000)         |
| Dividend paid to non-controlling interest                           | -  | -                   | -                     | -                     | (4,699,524)               | (4,699,524)           |
| Acquisition of subsidiary with NCI-Habour Village (Private) Limited | -  | -                   | (26,808,698)          | (26,808,698)          | (425,573,802)             | (452,382,500)         |
| Non-controlling interest of SMLF right issue                        | -  | -                   | -                     | -                     | 99,970,032                | 99,970,032            |
| <b>Balance at 30th September 2017</b>                               | <b>9,000,000,000</b>                         | <b>249,969,954</b>  | <b>10,266,123,744</b> | <b>19,516,093,698</b> | <b>2,360,278,003</b>      | <b>21,876,371,701</b> |
| <b>Balance at 01st April 2018</b>                                   | <b>9,000,000,000</b>                         | <b>404,698,445</b>  | <b>11,375,847,076</b> | <b>20,780,545,521</b> | <b>2,299,725,473</b>      | <b>23,080,270,994</b> |
| Change in accounting policy   | -  | -                   | (22,050,720)          | (22,050,720)          | -                         | (22,050,720)          |
| <b>Restated total equity as at 01st April 2018</b>                  | <b>9,000,000,000</b>                         | <b>404,698,445</b>  | <b>11,353,796,356</b> | <b>20,758,494,801</b> | <b>2,299,725,473</b>      | <b>23,058,220,274</b> |
| Profit for the period   | -  | -                   | 995,553,568           | 995,553,568           | 24,842,777                | 1,020,396,345         |
| Other comprehensive income, net of tax                              | -  | -                   | (623,178)             | (623,178)             | 498,120                   | (125,058)             |
| <b>Total comprehensive income for the period</b>                    | <b>-</b>                                     | <b>-</b>            | <b>994,930,390</b>    | <b>994,930,390</b>    | <b>25,340,897</b>         | <b>1,020,271,287</b>  |
| Disposal of Subsidiary - Horizon Knowledge City Limited             | -  | (146,043,319)       | 146,061,660           | 18,341                | (18,341)                  | -                     |
| <b>Balance at 30th September 2018</b>                               | <b>9,000,000,000</b>                         | <b>258,655,126</b>  | <b>12,494,788,406</b> | <b>21,753,443,532</b> | <b>2,325,048,029</b>      | <b>24,078,491,561</b> |
| <b>Company</b>  |  |                     |                       |                       |                           |                       |
|   | Stated capital                               | Revaluation reserve | Retained earnings     | Total                 |                           |                       |
| <b>In LKR</b>   |  |                     |                       |                       |                           |                       |
| <b>Balance at 01st April 2017</b>                                   | <b>9,000,000,000</b>                         | <b>183,737,473</b>  | <b>8,037,739,070</b>  | <b>17,221,476,543</b> |                           |                       |
| Profit for the period   | -  | -                   | 986,358,277           | 986,358,277           |                           |                       |
| Other comprehensive income, Net of tax                              | -  | -                   | 2,793,640             | 2,793,640             |                           |                       |
| <b>Total comprehensive income for the period</b>                    | <b>-</b>                                     | <b>-</b>            | <b>989,151,917</b>    | <b>989,151,917</b>    |                           |                       |
| Cash dividends  | -  | -                   | (200,000,000)         | (200,000,000)         |                           |                       |
| <b>Balance at 30th September 2017</b>                               | <b>9,000,000,000</b>                         | <b>183,737,473</b>  | <b>8,826,890,987</b>  | <b>18,010,628,460</b> |                           |                       |
| <b>Balance at 01st April 2018</b>                                   | <b>9,000,000,000</b>                         | <b>152,660,185</b>  | <b>8,714,965,150</b>  | <b>17,867,625,335</b> |                           |                       |
| Change in accounting policy   | -  | -                   | (22,050,720)          | (22,050,720)          |                           |                       |
| <b>Restated total equity as at 01st April 2018</b>                  | <b>9,000,000,000</b>                         | <b>152,660,185</b>  | <b>8,692,914,430</b>  | <b>17,845,574,615</b> |                           |                       |
| Profit for the period   | -  | -                   | 1,016,202,998         | 1,016,202,998         |                           |                       |
| Other comprehensive income, net of tax                              | -  | -                   | (2,520,000)           | (2,520,000)           |                           |                       |
| <b>Total comprehensive income for the period</b>                    | <b>-</b>                                     | <b>-</b>            | <b>1,013,682,998</b>  | <b>1,013,682,998</b>  |                           |                       |
| <b>Balance at 30th September 2018</b>                               | <b>9,000,000,000</b>                         | <b>152,660,185</b>  | <b>9,706,597,428</b>  | <b>18,859,257,613</b> |                           |                       |

The Accounting Policies and Notes form an integral part of these Financial Statements.  
Figures in brackets indicate deductions.  
The above figures are subject to Audit.

ACCESS ENGINEERING PLC  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30TH SEPTEMBER 2018



| For the Period Ended 30th September<br>In LKR                         | Group                |                      | Company              |                        |
|---|----------------------|----------------------|----------------------|------------------------|
|   | 2018                 | 2017                 | 2018                 | 2017                   |
| <b>Operating activities</b>   |                      |                      |                      |                        |
| Profit before tax   | 1,345,342,475        | 1,162,673,040        | 1,249,997,244        | 1,130,800,651          |
| <b>Adjustments to reconcile profit before tax to net cash flows:</b>  |                      |                      |                      |                        |
| Depreciation of property plant and equipment                          | 532,301,647          | 492,434,831          | 436,636,306          | 412,351,450            |
| Amortisation and impairment of intangible assets                      | 16,203,558           | 14,147,316           | 4,567,781            | 4,648,581              |
| Provision for employee benefits                                       | 25,132,665           | 25,066,017           | 17,765,000           | 18,663,516             |
| Provision for doubtful debts  | 42,260,550           | 401,000              | -                    | -                      |
| Loss on fair value changes of short-term investments                  | 6,608,171            | (576,522)            | 6,608,171            | (576,522)              |
| Gain on disposal of property, plant and equipment                     | (19,819,349)         | (9,426,875)          | (7,508,812)          | (8,866,449)            |
| Gain on Disposal of Subsidiary  | 5,977,460            | -                    | (140,010,000)        | -                      |
| Share of results of equity-accounted investees, net of tax            | 6,060,779            | (10,451,076)         | -                    | -                      |
| Dividend income   | (784,688)            | (880,603)            | (332,422,861)        | (23,983,128)           |
| Net finance cost  | 329,647,413          | 144,788,277          | 272,105,744          | 190,859,772            |
| <b>Operating profit before working capital changes</b>                | <b>2,288,930,681</b> | <b>1,818,175,405</b> | <b>1,507,738,573</b> | <b>1,723,897,871</b>   |
| <b>Working capital adjustments:</b>                                   |                      |                      |                      |                        |
| (Increase) / decrease inventories                                     | (616,220,180)        | (443,716,284)        | 6,575,888            | (707,410,211)          |
| Increase trade and other receivables                                  | (1,213,858,509)      | (2,120,766,594)      | (859,301,632)        | (1,238,184,100)        |
| Increase other current financial assets                               | (274,059,849)        | (270,404,903)        | (234,286,572)        | (207,854,325)          |
| (Increase)/decrease amounts due from related parties                  | (72,220,273)         | 22,143,660           | (138,053,193)        | 108,345,547            |
| Increase trade and other payables                                     | 373,362,564          | 1,026,022,706        | 128,409,907          | 1,305,274,524          |
| Increase / (decrease) amounts due to related parties                  | 22,411,957           | (33,752,282)         | (23,240,987)         | (26,466,284)           |
| <b>Cash generated from / (used in) operating activities</b>           | <b>508,346,391</b>   | <b>(2,298,292)</b>   | <b>387,841,984</b>   | <b>957,603,022</b>     |
| Interest paid   | (546,414,635)        | (357,776,348)        | (343,988,060)        | (263,033,393)          |
| Income tax paid   | (188,307,082)        | (159,637,033)        | (51,931,809)         | (84,810,966)           |
| Gratuity paid   | (9,009,855)          | (7,862,586)          | (8,248,237)          | (3,059,551)            |
| <b>Net cash flows generated from / (used in) operating activities</b> | <b>(235,385,181)</b> | <b>(527,574,259)</b> | <b>(16,326,122)</b>  | <b>606,699,112</b>     |
| <b>Investing Activities</b>   |                      |                      |                      |                        |
| Purchase of property, plant and equipment                             | (652,340,262)        | (572,466,683)        | (309,172,816)        | (501,614,785)          |
| Purchase of intangible assets   | (34,097,615)         | (1,205,000)          | -                    | -                      |
| Purchase of investment properties                                     | (6,781,857)          | (3,882,069)          | -                    | -                      |
| Purchase of investment properties - work in progress                  | (62,413,718)         | (1,291,637,766)      | -                    | -                      |
| Proceeds from sale of property, plant and equipment                   | 61,374,523           | 24,972,575           | 14,040,720           | 8,866,628              |
| Proceeds from Sale of Investments                                     | 2,560,000            | -                    | -                    | -                      |
| Proceeds from Sale of Subsidiary                                      | 762,119,876          | -                    | 765,000,000          | -                      |
| Investment in subsidiary  | -                    | -                    | (126,572,560)        | (1,852,382,500)        |
| Net investment in short term deposits                                 | (188,073,367)        | 698,594,296          | (12,572,280)         | 769,424,785            |
| Dividend received   | 784,688              | 880,603              | 332,422,861          | 23,983,128             |
| Interest received   | 162,026,420          | 154,469,986          | 80,066,404           | 50,979,040             |
| <b>Net cash flows generated from / (used in) investing activities</b> | <b>45,158,688</b>    | <b>(990,274,058)</b> | <b>743,212,329</b>   | <b>(1,500,743,704)</b> |
| <b>Financing activities</b>   |                      |                      |                      |                        |
| Dividends paid to equity holders of the parent                        | -                    | (200,000,000)        | -                    | (200,000,000)          |
| Dividend paid to non-controlling interests                            | -                    | (4,699,524)          | -                    | -                      |
| Acquisition of non-controlling interests                              | -                    | (452,382,500)        | -                    | -                      |
| Proceeds from issue of shares to non-controlling interest             | -                    | 99,970,032           | -                    | -                      |
| Proceeds from borrowings  | 4,788,594,753        | 2,957,850,178        | 1,705,000,000        | 1,200,000,000          |
| Repayment of borrowings   | (5,116,321,427)      | (1,718,785,646)      | (2,580,000,000)      | (200,000,000)          |
| Payment of finance lease liabilities                                  | (6,116,140)          | (1,281,593)          | -                    | -                      |
| <b>Net cash flows generated from / (used in) financing activities</b> | <b>(333,842,814)</b> | <b>680,670,947</b>   | <b>(875,000,000)</b> | <b>800,000,000</b>     |
| Decrease in cash and cash equivalents                                 | (524,069,307)        | (837,177,370)        | (148,113,793)        | (94,044,592)           |
| Cash and cash equivalent at 01st April                                | 829,386,236          | 671,196,791          | 577,006,066          | 780,178,393            |
| <b>Cash and cash equivalent at 30th September</b>                     | <b>305,316,929</b>   | <b>(165,980,579)</b> | <b>428,892,273</b>   | <b>686,133,801</b>     |

Cash and cash equivalent includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The Accounting Policies and Notes form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

The above figures are subject to Audit.

## 01 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Sri Lanka Accounting Standards comprising of SLFRS and LKAS (hereafter referred as "SLFRS"), as issued by the Institute of Chartered Accountants of Sri Lanka. Accordingly the Interim Financial Statements of the Company have been prepared in accordance with Sri Lanka Accounting Standard - LKAS 34 – Interim Financial Reporting.

The preparation and presentation of these financial statements are in compliance with the Companies Act No. 07 of 2007.

These interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31st March 2018 except for changes required due to adoption of following standard.

SLFRS 15 'Revenue from Contracts with Customers' establishes a five-step model to account for revenue arising from contracts with customers. Under SLFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under SLFRS (LKAS 18 Revenue and LKAS 11 Construction Contracts).

## 02 Related Party Transactions

| For the Period Ended 30th September<br>Transactions with related parties<br>In LKR | Group         |               | Company       |                 |
|--|---------------|---------------|---------------|-----------------|
|  | 2018          | 2017          | 2018          | 2017            |
| Construction of investment properties  | -             | -             | -             | 1,423,598,998   |
| Sales of goods and services  | 406,863,583   | 276,055,752   | 420,662,777   | 259,169,769     |
| Purchases of goods and services  | (101,233,806) | (306,430,552) | (87,498,547)  | (727,725,345)   |
| Dividend income  | -             | -             | 331,638,173   | 23,101,850      |
| Investment in shares - Access Realities (Private) Limited                          | -             | -             | (126,572,560) | (1,400,000,000) |
| Acquisition of NCI - Harbour Village (Private) Limited                             | -             | -             | -             | (452,382,500)   |
| Purchase of plants and equipments  | (585,000)     | (8,035,693)   | (111,885,000) | (7,895,000)     |

## 03 Investment in Subsidiary

The Company has further invested LKR. 126,572,560/- in share capital of Access Realities (Private) Limited which is a fully owned subsidiary.

## 04 Disposal of Subsidiaries and Joint Venture

On 20th April 2018, the company entered in to an agreement to sell the following subsidiaries and joint ventures on a given purchase consideration.

| Number | Name of the Company                         | No of Shares Held by AEL | % of Shares Held by AEL | Sales Consideration LKR. |
|--------|---|--------------------------|-------------------------|--------------------------|
| 01     | Horizon Knowledge City Limited              | 62,499,000               | 99.998                  | 765,000,000              |
| 02     | Horizon Holdings (Private) Limited          | 7,770,000                | 50                      | 300,000,000              |
| 03     | Horizon Holdings Ventures (Private) Limited | 29,000,000               | 100                     | 475,000,000              |

Company will receive the sales consideration in twelve equal monthly installments, starting from 20th April 2018.

As per the agreement, ownership of the Horizon Knowledge City Limited has been transferred on 31st August 2018.

## 05 Events after the Reporting Period

There have been no material events after the Reporting date, that would require adjustments to or disclosure in the Financial Statements.

## 06 Contingent Liabilities

There were no changes in the nature of the contingent liabilities since the publication of Annual Report for the year ended 31st March 2018 except for the following:

### 06.1 Bank guarantees issued by the banks on behalf of the Company as at 30th September 2018 are as follows.

|                               | LKR.                 |
|-------------------------------|----------------------|
| Nations Trust Bank PLC        | 590,949,759          |
| Hatton National Bank PLC      | 3,078,777,374        |
| DFCC Bank PLC                 | 49,971,150           |
| Sampath Bank PLC              | 235,650,534          |
| Bank of Ceylon                | 469,024,577          |
| People's Bank                 | 2,035,505,677        |
| Union Bank of Colombo PLC     | 32,229,049           |
| National Development Bank PLC | 64,074,807           |
| Commercial Bank of Ceylon PLC | 612,841,655          |
| Cargills Bank Limited         | 828,760,000          |
| Seylan Bank PLC               | 508,919,164          |
|                               | <u>8,506,703,746</u> |

Corporate Guarantees issued by the Company on behalf of Access Projects (Private) Limited for banking facilities is Rs 250Mn.

07 Business Segment

|  | Construction       | Construction related material | Property           | Automobile        | Adjustments and eliminations | Group total          |
|--|--------------------|-------------------------------|--------------------|-------------------|------------------------------|----------------------|
| <b>For the Period Ended 30th September 2018 (Unaudited)</b>            |                    |                               |                    |                   |                              |                      |
| <b>In LKR</b>  |                    |                               |                    |                   |                              |                      |
| <b>Revenue</b>   |                    |                               |                    |                   |                              |                      |
| External customers   | 7,662,056,587      | 1,451,046,417                 | 383,532,179        | 4,130,050,716     | -                            | 13,626,685,898       |
| Inter segment  | 189,466,388        | 694,155,820                   | 33,349,020         | 111,583,636       | (1,028,554,865)              | -                    |
| Total revenue  | 7,851,522,975      | 2,145,202,237                 | 416,881,199        | 4,241,634,352     | (1,028,554,865)              | 13,626,685,898       |
| Segment operating profit   | 1,345,043,611      | 240,724,968                   | 302,889,800        | 278,563,839       | (486,171,551)                | 1,681,050,667        |
| Net finance income / (cost)  | (302,052,727)      | -                             | 120,497,322        | (148,092,008)     | -                            | (329,647,413)        |
| Share of results of equity accounted investees, net of tax (Note 7.1 ) | -                  | -                             | -                  | -                 | (6,060,779)                  | (6,060,779)          |
| Income tax expense   | (233,794,246)      | -                             | (32,089,648)       | (50,794,137)      | (8,268,099)                  | (324,946,130)        |
| <b>Segment profit</b>  | <b>809,196,638</b> | <b>240,724,968</b>            | <b>391,297,474</b> | <b>79,677,694</b> | <b>(500,500,429)</b>         | <b>1,020,396,345</b> |
| Capital expenditure  | 314,215,897        | 3,775,525                     | 129,413,265        | 308,228,766       | -                            | 755,633,452          |
| Depreciation and amortisation  | 418,621,549        | 38,823,590                    | 19,781,813         | 62,732,336        | 8,545,917                    | 548,505,205          |
| <b>As at 30th September 2018 (Unaudited)</b>                           |                    |                               |                    |                   |                              |                      |
| Segment assets   | 32,886,305,039     | 2,323,868,674                 | 17,198,063,751     | 6,397,805,772     | (12,974,578,014)             | 45,831,465,222       |
| Segment liabilities  | 15,139,228,305     | 980,595,454                   | 1,759,345,450      | 4,445,995,913     | (572,191,461)                | 21,752,973,661       |

|  | Construction       | Construction related material | Property           | Automobile         | Adjustments and eliminations | Group total        |
|--|--------------------|-------------------------------|--------------------|--------------------|------------------------------|--------------------|
| <b>For the Period Ended 30th September 2017 (Unaudited)</b>            |                    |                               |                    |                    |                              |                    |
| <b>In LKR</b>  |                    |                               |                    |                    |                              |                    |
| <b>Revenue</b>   |                    |                               |                    |                    |                              |                    |
| External customers   | 7,066,864,791      | 1,087,003,593                 | 147,778,750        | 3,827,217,764      | -                            | 12,128,864,898     |
| Inter segment  | 1,423,598,998      | 478,081,905                   | 27,350,153         | 192,236            | (1,929,223,292)              | -                  |
| Total revenue  | 8,490,463,789      | 1,565,085,498                 | 175,128,903        | 3,827,410,000      | (1,929,223,292)              | 12,128,864,898     |
| Segment operating profit   | 940,124,968        | 108,636,814                   | 62,080,510         | 385,019,565        | (198,851,615)                | 1,297,010,242      |
| Net finance income / (cost)  | (219,717,153)      | -                             | 115,004,876        | (40,076,000)       | -                            | (144,788,277)      |
| Share of results of equity accounted investees, net of tax (Note 7.1 ) | -                  | -                             | -                  | -                  | 10,451,076                   | 10,451,076         |
| Income tax expense   | (144,443,579)      | -                             | (32,202,764)       | (105,029,527)      | (2,566,947)                  | (284,242,816)      |
| <b>Segment profit</b>  | <b>575,964,236</b> | <b>108,636,814</b>            | <b>144,882,623</b> | <b>239,914,038</b> | <b>(190,967,486)</b>         | <b>878,430,224</b> |
| Capital expenditure  | 296,448,100        | 210,181,981                   | 1,322,153,437      | 40,408,000         | -                            | 1,869,191,518      |
| Depreciation and amortisation  | 372,199,047        | 68,134,244                    | 1,229,342          | 56,473,596         | 8,545,917                    | 506,582,146        |
| <b>As at 31st March 2018 (Audited)</b>                                 |                    |                               |                    |                    |                              |                    |
| Segment assets   | 32,625,264,466     | 1,968,314,299                 | 17,654,686,394     | 5,381,964,100      | (13,191,463,707)             | 44,438,765,552     |
| Segment liabilities  | 15,775,750,995     | 755,413,393                   | 1,623,679,326      | 3,509,950,022      | (306,299,178)                | 21,358,494,558     |

07.1 Share of Results of Equity Accounted Investees, Net of Tax

|  | ZPMC Lanka Company (Private ) Limited |           | Horizon Holdings (Private) Limited |           | Blue Star Realities (Private) Limited |           | Total       |            |
|--|---------------------------------------|-----------|------------------------------------|-----------|---------------------------------------|-----------|-------------|------------|
|  | 2018                                  | 2017      | 2018                               | 2017      | 2018                                  | 2017      | 2018        | 2017       |
| <b>For the Period Ended 30th September (Unaudited)</b> |                                       |           |                                    |           |                                       |           |             |            |
| <b>In LKR</b>  |                                       |           |                                    |           |                                       |           |             |            |
| Share of profit, net of tax                            | 4,867,412                             | 4,643,623 | (722,733)                          | (637,415) | (10,205,459)                          | 6,444,868 | (6,060,779) | 10,451,076 |
|  | 4,867,412                             | 4,643,623 | (722,733)                          | (637,415) | (10,205,459)                          | 6,444,868 | (6,060,779) | 10,451,076 |

## 08 Share Information

### 08.1 Public Share Holdings

Percentage of shares held by the public and the number of public shareholders are as follows.

| As at  | 30th September 2018 |
|--|---------------------|
| Public shareholding (%)  | 42.21               |
| Public shareholders  | 6,254               |
| Compliant under option 3 - Float adjusted market capitalization (LKR Mn) | 5,868               |

### 08.2 Directors Share Holdings

The number of shares held by the Board of Directors as at 30th September 2018 are as follows.

|                          | Number of Shares | %     |
|--------------------------|------------------|-------|
| Mr. S J S Perera         | 250,000,000      | 25%   |
| Mr. R J S Gomez          | 75,130,325       | 7.51% |
| Mr. J C Joshua           | 101,000,000      | 10.1% |
| Mr. S H S Mendis         | 24,000,000       | 2.4%  |
| Mr. D A R Fernando       | 24,000,000       | 2.4%  |
| Mr. S D Munasinghe       | 24,000,000       | 2.4%  |
| Mr. S D Perera           | 2,000,000        | 0.2%  |
| Prof. K A M K Ranasinghe | Nil              | Nil   |
| Mr. N D Gunaratne        | Nil              | Nil   |
| Mr. D S Weerakkody       | 10,000           | 0.00% |

### 08.3 Twenty largest shareholders of the company as at 30th September 2018 are as follows.

|   | Number of Shares     | %              |
|---|----------------------|----------------|
| 1 Mr. S J S Perera  | 250,000,000          | 25.00%         |
| 2 Mr. J C Joshua  | 101,000,000          | 10.10%         |
| 3 Mr. R J S Gomez   | 75,130,325           | 7.51%          |
| 4 Mrs. R M N Joshua   | 70,000,000           | 7.00%          |
| 5 Mr. S J S Perera  | 50,733,000           | 5.07%          |
| 6 Mrs. D R S Malalasekera   | 45,000,000           | 4.50%          |
| 7 Foresight Engineering (Private) Limited   | 30,000,000           | 3.00%          |
| 8 Citi Bank Newyork S/A Norges Bank Account 2   | 28,197,435           | 2.82%          |
| 9 Mr. D A R Fernando  | 24,000,000           | 2.40%          |
| 10 Mr. S H S Mendis   | 24,000,000           | 2.40%          |
| 11 Mr. S D Munasinghe   | 24,000,000           | 2.40%          |
| 12 Employees Provident Fund   | 20,478,289           | 2.05%          |
| 13 SEB AB-Tundra Frontier Opportunities Fund  | 19,282,027           | 1.93%          |
| 14 Access Medical (Private) Limited   | 13,000,000           | 1.30%          |
| 15 Nuwara Eliya Property Developers (Private) Limited   | 8,102,042            | 0.81%          |
| 16 MAS Capital (Private) Limited  | 6,960,957            | 0.70%          |
| 17 Mr. M J Fernando   | 6,102,869            | 0.61%          |
| 18 RBC Investor Services Bank S.A.-Blackfriars Developing Markets Funds<br>P.L.C. - Blackfriars Oriental Focus Fund | 6,000,000            | 0.60%          |
| 19 Deutsche Bank AG - National Equity Fund  | 5,850,000            | 0.58%          |
| 20 Deutsche Bank AG AS Trustee For JB Vantage Value Equity Fund   | 5,072,312            | 0.51%          |
|   | 812,909,256          | 81.29%         |
| Others  | 187,090,744          | 18.71%         |
| <b>Total</b>  | <b>1,000,000,000</b> | <b>100.00%</b> |



#### 08.4 Share Distribution

##### Shareholding as at 30th September 2018

| From           | To        | No of Holders | No of Shares         | %           |
|----------------|-----------|---------------|----------------------|-------------|
| 1              | 1,000     | 3,154         | 1,193,291            | 0.12%       |
| 1,001          | 10,000    | 2,040         | 8,668,292            | 0.87%       |
| 10,001         | 100,000   | 791           | 26,319,802           | 2.64%       |
| 100,001        | 1,000,000 | 223           | 63,887,802           | 6.38%       |
| Over 1,000,000 |           | 62            | 899,930,813          | 89.99%      |
|                |           | <b>6,270</b>  | <b>1,000,000,000</b> | <b>100%</b> |

| Categories of Shareholders | No of Holders | No of Shares         | %           |
|----------------------------|---------------|----------------------|-------------|
| Local Individuals          | 5,836         | 744,487,298          | 74.45%      |
| Local Institutions         | 348           | 165,608,419          | 16.56%      |
| Foreign Individuals        | 59            | 4,561,964            | 0.46%       |
| Foreign Institutions       | 27            | 85,342,319           | 8.53%       |
|                            | <b>6,270</b>  | <b>1,000,000,000</b> | <b>100%</b> |

#### 08.5 Stated Capital

Stated Capital is represented by number of shares in issue as given below.

| As at           | 30th September 2018 | 31st March 2018 |
|-----------------|---------------------|-----------------|
| Ordinary Shares | 1,000,000,000       | 1,000,000,000   |

#### 08.6 Market Price Per Share

| In LKR      | 2018/19 2nd Quarter | 2017/18 2nd Quarter |
|-------------|---------------------|---------------------|
| Highest     | 17.9                | 27                  |
| Lowest      | 13.5                | 23                  |
| Last Traded | 13.9                | 25.8                |



### 08.7 Debenture Information

On 18th November 2015 Company issued fifty million (50,000,000) rated senior unsecured redeemable debentures to the value of Rupees five billion (LKR 5,000,000,000). These debentures are listed in the Colombo Stock Exchange.

Details regarding the listed debentures are as follows.

| Instrument Type         | Interest Frequency | Coupon rate % | Effective Annual Yield % | IROCGS as at reporting date % |
|-------------------------|--------------------|---------------|--------------------------|-------------------------------|
| Type 01 – 5 Years Tenor | Semi-Annually      | 10.25         | 10.51                    | 10.58                         |
| Type 02 – 6 Years Tenor | Semi-Annually      | 10.45         | 10.72                    | 10.67                         |
| Type 03 – 7 Years Tenor | Semi-Annually      | 10.72         | 11.01                    | 10.7                          |
| Type 04 – 8 Years Tenor | Semi-Annually      | 10.95         | 11.25                    | 10.73                         |

IROCGS - Interest rate of comparable government securities

The Listed Debentures were not traded since issuing date. Therefore, Highest Traded price, Lowest Traded Price, Last Traded Price for the period ended 30th September 2018 and Yield to Maturity of trade were not available.

### Debt Security related ratios

| For the Period ended / as at 30th September | 2018 | 2017 |
|---|------|------|
| Debt to equity ratio                        | 0.33 | 0.34 |
| Quick assets ratio                          | 1.48 | 1.51 |
| Interest cover                              | 4.61 | 5.22 |

Utilization of funds raised via debenture issue is as follows.

| Objective                                      | Construction of Access Tower II at Union Place, Colombo 02 | Urban Regeneration Project - Design and Construction of 941 Housing Units at Henamulla, Colombo 15 |
|--|--|--|
| Amount allocated from proceeds in LKR (Mn) (A) | 2,586  | 2,414  |
| Amount utilized in LKR (Mn) (B)                | 2,586  | 2,414  |
| % Utilization against allocation (B/A)         | 100%   | 100%   |

## **CORPORATE INFORMATION**

### **Name of Company**

Access Engineering PLC

### **Registered office**

Access Engineering PLC

Access Tower,  
278, Union Place,  
Colombo 02.

Tel: +94 11 7606606

Fax: +94 11 7606605

Web: [www.accessengsl.com](http://www.accessengsl.com)

E-mail: [investor.relations@accessengsl.com](mailto:investor.relations@accessengsl.com)

### **Legal Form**

A Public Limited Liability Company incorporated in Sri Lanka on 31st July 2001 under the Companies Act No. 17 of 1982 and Re-registered under the Companies Act No. 07 of 2007 on 06th February 2008.

Ordinary Voting Shares are listed on the Main Board of the Colombo Stock Exchange.

Rated Senior Unsecured Redeemable Debentures are listed on the Colombo Stock Exchange.

### **Company Registration Number**

P B 200 PQ

### **Bankers**

Bank of Ceylon

Sampath Bank PLC

Hatton National Bank PLC

Nations Trust Bank PLC

Commercial Bank of Ceylon PLC

DFCC Bank PLC

People's Bank

National Development Bank PLC

Union Bank of Colombo PLC

Cargills Bank Limited

CAC International Bank

International Commercial Bank

Seylan Bank PLC

### **Secretaries**

P W Corporate Secretarial (Private) Limited

No 3/17, Kynsey Road,

Colombo 08.

Tel: +94 11 4640360

Fax: +94 11 4740588

### **Auditors**

Messrs KPMG

Chartered Accountants

32A, Sir Mohamed Macan Markar Mawatha,

Colombo 03.

Tel: +94 11 2426426

Fax: +94 11 2445872