

Access Engineering PLC
Financial Statements
For the Year Ended 31st March 2020

ACCESS ENGINEERING PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2020



| In LKR | Group | | | | Company | | | |
|--|--------------------------|----------------------|-----------------------|----------------------|--------------------------|--------------------|-----------------------|----------------------|
| | Quarter ended 31st March | | Year Ended 31st March | | Quarter ended 31st March | | Year Ended 31st March | |
| | 2020 Unaudited | 2019 Audited | 2020 Unaudited | 2019 Audited | 2020 Unaudited | 2019 Audited | 2020 Unaudited | 2019 Audited |
| Revenue | 5,966,941,998 | 10,702,770,428 | 24,023,249,326 | 32,277,441,194 | 4,883,844,124 | 5,541,361,414 | 17,917,039,627 | 19,356,105,575 |
| Cost of sales | (4,953,103,140) | (9,175,189,259) | (20,232,421,782) | (27,093,199,821) | (4,255,198,813) | (4,632,130,535) | (15,623,431,676) | (16,183,403,341) |
| Gross profit | 1,013,838,858 | 1,527,581,169 | 3,790,827,544 | 5,184,241,373 | 628,645,311 | 909,230,879 | 2,293,607,951 | 3,172,702,233 |
| Other income | 234,403,017 | 84,873,825 | 606,651,881 | 481,768,869 | 532,895,253 | (21,063,048) | 1,313,918,129 | 647,816,174 |
| Administrative expenses | (558,435,764) | (514,387,160) | (1,998,677,018) | (1,852,100,797) | (181,735,972) | (211,580,922) | (759,809,020) | (765,960,002) |
| Other expenses | (15,588,588) | (18,656,789) | (42,618,573) | (34,199,999) | (11,605,373) | (13,741,815) | (29,875,393) | (24,951,305) |
| Operating profit | 674,217,523 | 1,079,411,045 | 2,356,183,834 | 3,779,709,446 | 968,199,219 | 662,845,093 | 2,817,841,667 | 3,029,607,101 |
| Net finance cost | (153,274,373) | (134,807,357) | (556,440,061) | (650,889,968) | (94,955,726) | (94,848,450) | (307,256,624) | (484,948,695) |
| Share of results of equity-accounted investees, net of tax | 20,570,273 | 550,964 | (1,184,273) | (273,936) | - | - | - | - |
| Profit before tax | 541,513,423 | 945,154,653 | 1,798,559,500 | 3,128,545,542 | 873,243,493 | 567,996,643 | 2,510,585,043 | 2,544,658,406 |
| Income tax expenses | (142,060,688) | (360,334,925) | (330,489,597) | (883,188,540) | (137,318,195) | (165,015,452) | (349,520,865) | (583,063,290) |
| Profit for the period | 399,452,734 | 584,819,727 | 1,468,069,903 | 2,245,357,002 | 735,925,298 | 402,981,191 | 2,161,064,178 | 1,961,595,116 |
| Profit attributable to: | | | | | | | | |
| Equity holders of the parent | 402,935,967 | 495,352,812 | 1,515,374,766 | 2,150,223,368 | 735,925,298 | 402,981,191 | 2,161,064,178 | 1,961,595,116 |
| Non-controlling interest | (3,483,233) | 89,466,915 | (47,304,863) | 95,133,634 | - | - | - | - |
| Profit for the period | 399,452,734 | 584,819,727 | 1,468,069,903 | 2,245,357,002 | 735,925,298 | 402,981,191 | 2,161,064,178 | 1,961,595,116 |
| Other comprehensive income | | | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | | | |
| Remeasurement of defined benefit liability | (43,644,424) | 20,693,167 | (46,160,674) | 19,092,533 | (42,211,268) | 20,697,533 | (47,461,268) | 15,447,533 |
| Revaluation of Land and Buildings | 221,282,057 | - | 221,282,057 | - | 78,050,356 | - | 78,050,356 | - |
| Related tax | 13,381,288 | (6,078,927) | 14,283,079 | (4,608,927) | 13,860,222 | (5,795,309) | 14,595,222 | (4,325,309) |
| Other comprehensive income for the period, net of tax | 191,018,921 | 14,614,240 | 189,404,462 | 14,483,606 | 49,699,310 | 14,902,224 | 45,184,310 | 11,122,224 |
| Total comprehensive income for the period, net of tax | 590,471,655 | 599,433,968 | 1,657,474,365 | 2,259,840,608 | 785,624,608 | 417,883,415 | 2,206,248,488 | 1,972,717,340 |
| Total comprehensive income attributable to: | | | | | | | | |
| Equity holders of the parent | 581,692,228 | 510,076,182 | 1,691,978,914 | 2,164,068,924 | 785,624,608 | 417,883,415 | 2,206,248,488 | 1,972,717,340 |
| Non-controlling interest | 8,779,427 | 89,357,785 | (34,504,549) | 95,771,684 | - | - | - | - |
| Total comprehensive income for the period, net of tax | 590,471,655 | 599,433,968 | 1,657,474,365 | 2,259,840,608 | 785,624,608 | 417,883,415 | 2,206,248,488 | 1,972,717,340 |
| Basic earnings per share | 0.40 | 0.50 | 1.52 | 2.15 | 0.74 | 0.40 | 2.16 | 1.96 |

The Accounting Policies and Notes form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

ACCESS ENGINEERING PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2020



| In LKR | Group | | Company | |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
| | 31.03.2020 Unaudited | 31.03.2019 Audited | 31.03.2020 Unaudited | 31.03.2019 Audited |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 4,933,407,979 | 5,198,089,223 | 2,574,715,336 | 3,067,938,263 |
| Right of use assets | - | - | 25,808,317 | - |
| Investment properties | 10,330,805,143 | 10,729,192,520 | 560,007,200 | 415,800,000 |
| Investment properties- work in progress | 1,896,555,520 | 492,568,921 | - | - |
| Intangible assets and goodwill | 1,371,324,086 | 1,406,234,214 | 37,384,532 | 47,196,982 |
| Investments in subsidiaries | - | - | 13,865,857,707 | 13,230,857,707 |
| Equity-accounted investees | 896,834,852 | 898,019,125 | 855,465,410 | 855,465,410 |
| Non-current financial assets | 152,027,517 | 1,420,363,347 | 110,220,036 | 1,008,933,068 |
| Deferred tax asset | 20,292,769 | - | - | - |
| | 19,601,247,866 | 20,144,467,350 | 18,029,458,538 | 18,626,191,430 |
| Current assets | | | | |
| Inventories | 7,845,370,305 | 6,578,633,179 | 2,269,730,807 | 1,440,013,027 |
| Trade and other receivables | 14,323,935,514 | 13,784,379,147 | 11,438,745,433 | 10,101,674,043 |
| Amount due from related parties | 240,298,727 | 126,895,989 | 890,226,038 | 409,622,868 |
| Current tax assets | 86,020,971 | 55,203,106 | - | - |
| Other current financial assets | 4,131,366,800 | 2,697,690,207 | 3,480,312,922 | 2,466,744,153 |
| Short term investments | 71,011,530 | 25,769,394 | 71,011,530 | 25,769,394 |
| Short term deposits | 1,228,264,438 | 2,163,147,483 | 570,167,294 | 475,198,599 |
| Cash and cash equivalents | 2,160,961,933 | 2,485,877,649 | 214,929,744 | 1,075,663,894 |
| | 30,087,230,218 | 27,917,596,154 | 18,935,123,768 | 15,994,685,978 |
| Total assets | 49,688,478,084 | 48,062,063,504 | 36,964,582,306 | 34,620,877,408 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Stated capital | 9,000,000,000 | 9,000,000,000 | 9,000,000,000 | 9,000,000,000 |
| Revaluation reserve | 475,238,566 | 258,652,205 | 238,661,185 | 152,660,185 |
| Retained earnings | 12,911,521,584 | 11,936,129,031 | 11,550,361,995 | 9,932,281,210 |
| Equity attributable to equity holders of the parent | 22,386,760,150 | 21,194,781,236 | 20,789,023,180 | 19,084,941,395 |
| Non-controlling interest | 2,558,792,815 | 2,393,297,382 | - | - |
| Total equity | 24,945,552,965 | 23,588,078,618 | 20,789,023,180 | 19,084,941,395 |
| Non-current liabilities | | | | |
| Government grants | 5,484,707 | 5,704,096 | - | - |
| Loans and borrowings | 58,808,757 | 5,097,947,765 | 1,650,278 | 5,188,152,871 |
| Employee benefit liabilities | 364,148,368 | 263,326,437 | 278,609,201 | 193,452,552 |
| Deferred tax liabilities | 1,849,154,153 | 2,165,728,615 | 214,961,465 | 519,040,038 |
| | 2,277,595,985 | 7,532,706,913 | 495,220,944 | 5,900,645,461 |
| Current liabilities | | | | |
| Bank overdraft | 533,957,311 | 329,833,689 | 125,036,649 | - |
| Trade and other payables | 10,717,489,524 | 12,491,096,071 | 7,153,779,966 | 8,528,943,819 |
| Amount due to related parties | 35,274,105 | 24,486,763 | 36,601,864 | 279,991,521 |
| Loans and borrowings | 10,910,377,400 | 3,637,207,534 | 8,098,825,243 | 402,128,177 |
| Lease liabilities | - | - | 27,692,162 | - |
| Current tax liabilities | 237,150,602 | 424,288,511 | 225,255,986 | 411,867,608 |
| Unclaimed dividends | 31,080,192 | 34,365,405 | 13,146,312 | 12,359,427 |
| | 22,465,329,134 | 16,941,277,973 | 15,680,338,182 | 9,635,290,552 |
| Total liabilities | 24,742,925,119 | 24,473,984,886 | 16,175,559,126 | 15,535,936,013 |
| Total equity and liabilities | 49,688,478,084 | 48,062,063,504 | 36,964,582,306 | 34,620,877,408 |
| Net asset per share | 22.39 | 21.19 | 20.79 | 19.08 |

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

21st May 2020
Colombo.


Director

| Group | Attributable to equity holders of the parent | | | | Non-controlling interests | Total equity |
|---|--|---------------------|-----------------------|-----------------------|---------------------------|-----------------------|
| | Stated capital | Revaluation reserve | Retained earnings | Total | | |
| In LKR | | | | | | |
| Balance at 01st April 2018 | 9,000,000,000 | 404,698,445 | 10,387,913,212 | 19,792,611,657 | 2,299,725,473 | 22,092,337,130 |
| Impact of adopting SLFRS 9 and SLFRS 15 | - | - | (261,914,765) | (261,914,765) | (2,184,355) | (264,099,120) |
| Restated total equity as at 01st April 2018 | 9,000,000,000 | 404,698,445 | 10,125,998,447 | 19,530,696,892 | 2,297,541,118 | 21,828,238,010 |
| Profit for the year | - | - | 2,150,223,368 | 2,150,223,368 | 95,133,634 | 2,245,357,002 |
| Other comprehensive income for the year, net of tax | - | - | 13,845,556 | 13,845,556 | 638,050 | 14,483,606 |
| Total comprehensive income for the year | - | - | 2,164,068,924 | 2,164,068,924 | 95,771,684 | 2,259,840,608 |
| Cash dividends | - | - | (500,000,000) | (500,000,000) | - | (500,000,000) |
| Disposal of Subsidiary - Horizon Knowledge City Limited | - | (146,046,240) | 146,061,660 | 15,420 | (15,420) | - |
| Balance at 31st March 2019 | 9,000,000,000 | 258,652,205 | 11,936,129,031 | 21,194,781,236 | 2,393,297,382 | 23,588,078,618 |
| Profit for the year | - | - | 1,515,374,766 | 1,515,374,766 | (47,304,863) | 1,468,069,903 |
| Other comprehensive income for the year, net of tax | - | 216,586,361 | (39,982,213) | 176,604,148 | 12,800,314 | 189,404,462 |
| Total comprehensive income for the year | - | 216,586,361 | 1,475,392,553 | 1,691,978,914 | (34,504,549) | 1,657,474,365 |
| Cash dividends | - | - | (500,000,000) | (500,000,000) | - | (500,000,000) |
| Non-controlling interest of Access Motors (Private) Limited right issue | - | - | - | - | 199,999,982 | 199,999,982 |
| Balance at 31st March 2020 | 9,000,000,000 | 475,238,566 | 12,911,521,584 | 22,386,760,150 | 2,558,792,815 | 24,945,552,965 |
| Company | | | | | | |
| | Stated capital | Revaluation reserve | Retained earnings | Total equity | | |
| In LKR | | | | | | |
| Balance at 01st April 2018 | 9,000,000,000 | 152,660,185 | 8,714,965,150 | 17,867,625,335 | | |
| Impact of adopting SLFRS 9 and SLFRS 15 | - | - | (255,401,280) | (255,401,280) | | |
| Restated total equity as at 01st April 2018 | 9,000,000,000 | 152,660,185 | 8,459,563,870 | 17,612,224,055 | | |
| Profit for the year | - | - | 1,961,595,116 | 1,961,595,116 | | |
| Other comprehensive income for the year, Net of tax | - | - | 11,122,224 | 11,122,224 | | |
| Total comprehensive income for the year | - | - | 1,972,717,340 | 1,972,717,340 | | |
| Cash dividends | - | - | (500,000,000) | (500,000,000) | | |
| Balance at 31st March 2019 | 9,000,000,000 | 152,660,185 | 9,932,281,210 | 19,084,941,395 | | |
| Change in accounting policy | - | - | (2,166,703) | (2,166,703) | | |
| Restated total equity as at 01st April 2019 | 9,000,000,000 | 152,660,185 | 9,930,114,507 | 19,082,774,692 | | |
| Profit for the year | - | - | 2,161,064,178 | 2,161,064,178 | | |
| Other comprehensive income for the year, net of tax | - | 86,001,000 | (40,816,690) | 45,184,310 | | |
| Total comprehensive income for the year | - | 86,001,000 | 2,120,247,488 | 2,206,248,488 | | |
| Cash dividends | - | - | (500,000,000) | (500,000,000) | | |
| Balance at 31st March 2020 | 9,000,000,000 | 238,661,185 | 11,550,361,995 | 20,789,023,180 | | |

The Accounting Policies and Notes form an integral part of these Financial Statements
Figures in brackets indicate deductions.

ACCESS ENGINEERING PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2020



| For the Year Ended 31st March | Group | | Company | |
|---|-------------------|------------------|-------------------|-----------------|
| | 2020 Unaudited | 2019 Audited | 2020 Unaudited | 2019 Audited |
| In LKR | | | | |
| Operating activities | | | | |
| Profit before tax | 1,798,559,500 | 3,128,545,542 | 2,510,585,043 | 2,544,658,406 |
| Adjustments to reconcile profit before tax to net cash flows: | | | | |
| Depreciation of property plant and equipment | 1,023,012,999 | 1,077,028,529 | 813,950,282 | 873,104,852 |
| Amortisation of right- of - use assets | - | - | 56,082,789 | - |
| Amortisation of intangible assets | 37,106,470 | 34,591,799 | 9,812,450 | 9,169,035 |
| Provisions for employee benefits | 79,036,928 | 64,266,599 | 48,850,715 | 46,824,048 |
| Impairment losses/ write-off/ (reversal of) of trade and other receivables/ inventories | 20,886,214 | 70,866,144 | (18,302,354) | 22,448,339 |
| Gain on fair value changes of investment properties | (64,207,200) | - | (144,207,200) | - |
| Loss on fair value changes of short-term investments | 9,757,760 | 9,791,387 | 9,757,760 | 9,791,387 |
| Gain on disposal of property, plant and equipment | (36,757,051) | (62,587,664) | (24,851,149) | (40,038,992) |
| (Gain)/Loss on disposal of subsidiary | 5,527,504 | 5,977,460 | (185,000,000) | (140,010,000) |
| Gain on disposal of equity-accounted investees | - | (6,427,534) | - | - |
| Gain on disposal of short-term investments | (2,892,766) | - | (2,892,766) | - |
| Amortisation of government grant | (219,389) | (219,389) | - | - |
| Share of results of equity-accounted investees, net of tax | 1,184,273 | 273,936 | - | - |
| Dividend income | (1,123,761) | (1,340,836) | (862,789,874) | (332,979,009) |
| Net finance cost | 556,440,061 | 650,889,968 | 307,256,624 | 484,948,695 |
| Operating profit before working capital changes | 3,426,311,542 | 4,971,655,941 | 2,518,252,320 | 3,477,916,761 |
| Working capital adjustments: | | | | |
| (Increase) / decrease inventories | (1,247,132,972) | (531,218,240) | (829,717,780) | 167,488,183 |
| Increase trade and other receivables | (725,791,001) | (2,537,685,709) | (1,315,735,052) | (1,444,269,783) |
| Increase other current financial assets | (142,845,675) | (502,322,172) | (114,926,430) | (455,748,911) |
| (Increase) / decrease amounts due from related parties | (113,402,738) | 72,789,822 | (480,603,170) | (172,773,121) |
| Increase / (decrease) trade and other payables | (1,590,295,504) | 2,000,457,622 | (1,282,718,030) | 936,379,932 |
| Increase / (decrease) amounts due to related parties | 10,787,342 | (44,071,428) | (243,389,657) | 248,449,982 |
| Cash generated from operating activities | (382,369,006) | 3,429,605,836 | (1,748,837,799) | 2,757,443,043 |
| Interest paid | (987,370,065) | (1,194,682,725) | (596,858,713) | (744,443,042) |
| Income tax paid | (821,300,552) | (338,370,025) | (815,456,331) | (167,987,537) |
| Gratuity paid | (24,375,672) | (20,767,885) | (11,155,336) | (16,199,790) |
| Net cash flows generated from / (used in) operating activities | (2,215,415,295) | 1,875,785,201 | (3,172,308,179) | 1,828,812,674 |
| Investing Activities | | | | |
| Purchase of property, plant and equipment | (565,573,810) | (1,163,188,146) | (257,060,629) | (704,596,318) |
| Purchase of intangible assets | (2,196,341) | (39,996,158) | - | (3,392,293) |
| Purchase of investment properties | (12,605,423) | (15,243,007) | - | - |
| Purchase of investment properties - work in progress | (503,986,599) | (90,090,613) | - | - |
| Proceeds from sale of property, plant and equipment | 68,604,230 | 105,658,776 | 39,234,781 | 74,204,133 |
| Net cash flows on disposal subsidiary | 474,950,306 | 762,119,876 | 475,000,000 | 765,000,000 |
| Investment in equity securities | (54,999,896) | - | (54,999,896) | - |
| Investment in unit trust | (250,000,000) | - | (250,000,000) | - |
| Acquisition of subsidiary, net of cash acquired | (925,000,000) | - | (925,000,000) | - |
| Disposal of Joint Venture | - | 300,000,000 | - | 300,000,000 |
| Proceeds from sales of non current financial assets | - | 39,850,000 | - | - |
| Investment in subsidiary | - | - | - | (126,572,560) |
| Proceeds from Sale of Unit Trust | 252,892,766 | - | 252,892,766 | - |
| (Investment in) / withdrawal from short term deposits | 934,883,045 | (121,716,019) | (94,968,695) | (195,686,786) |
| Dividends received | 1,123,761 | 1,340,836 | 862,789,874 | 332,979,009 |
| Interest received | 336,504,584 | 523,258,061 | 202,135,440 | 230,742,709 |
| Net cash flows generated from / (used in) investing activities | (245,403,377) | 301,993,606 | 250,023,641 | 672,677,894 |
| Financing activities | | | | |
| Dividends paid to equity holders of the parent | (500,000,000) | (500,000,000) | (500,000,000) | (500,000,000) |
| Proceeds from issue of shares to non-controlling interest | 199,999,982 | - | - | - |
| Proceeds from borrowings | 22,386,836,933 | 11,954,669,609 | 3,605,000,000 | 5,011,000,000 |
| Repayment of borrowings | (20,155,057,581) | (12,299,674,552) | (1,105,000,000) | (6,513,832,740) |
| Payment of lease liabilities | - | (6,116,140) | (63,486,261) | - |
| Net cash flows generated from / (used in) financing activities | 1,931,779,334 | (851,121,083) | 1,936,513,739 | (2,002,832,740) |
| Increase / (decrease) in cash and cash equivalents | (529,039,338) | 1,326,657,724 | (985,770,799) | 498,657,828 |
| Cash and cash equivalent at the beginning | 2,156,043,960 | 829,386,236 | 1,075,663,894 | 577,006,066 |
| Cash and cash equivalent at 31st March | 1,627,004,622 | 2,156,043,960 | 89,893,095 | 1,075,663,894 |

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.

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 2019, except for changes required due to adoption of SLFRS 16, "Leases".

01.1 Fair value measurement and related fair value disclosures

The fair values of all the financial assets and financial liabilities recognized during the period were not materially different from the transaction prices at the date of initial recognition. There were no transfers between Level 1 and Level 2 and no transfers into or out of Level 3 categories as per the fair value hierarchy, during the period.

The fair value changes in financial instruments in Level 1 and Level 3 category were properly recorded in the statement of profit or loss and other comprehensive income as at reporting date.

01.2 New standards, interpretations and amendments adopted by the Group

SLFRS 16 Leases

SLFRS 16 supersedes LKAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

The Group adopted SLFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019, without restating comparatives for the 2018/19 reporting period, as permitted under the specific transitional provisions in the standard. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying LKAS 17 and IFRIC 4 at the date of initial application, exempt for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

Lessor accounting under SLFRS 16 is substantially unchanged under LKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in LKAS 17. Therefore, SLFRS 16 did not have an impact for leases where the Group is the lessor.

02 Related party transactions

| For the period ended 31st March Transactions with related parties In LKR | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| Sales of goods and services | 391,000,880 | 650,458,056 | 859,245,663 | 1,007,813,603 |
| Purchases of goods and services | (301,746,960) | (207,116,166) | (491,068,691) | (267,018,161) |
| Dividend income | - | - | 861,666,113 | 331,638,173 |
| Investment in shares -Access Realties (Private) Limited | - | - | - | (126,572,560) |
| Investment in Shares -WUS Logistics (Private) Limited | - | - | (925,000,000) | - |
| Purchase of plants and equipments | (8,485,175) | (162,050) | (988,941) | (327,554,604) |

03 Events after the reporting period

There have been no material events after the reporting date except for the following that would require adjustments to or disclosure in the Financial Statements.

04 Impact due to the COVID – 19 Pandemic

As a result of the island wide curfew imposed by the Government due to COVID 19 pandemic in March – May 2020, several of the Company’s ongoing projects’ work was temporarily disrupted. Nevertheless work on certain projects continued from end of April while complying with public health related regulations imposed by the relevant authorities.

The duration and impact of the COVID 19 pandemic remains unclear at this time. Company will make a detail disclosure on the impact of COVID 19 in complying with circular no. 06-04-2020 dated 20th April 2020 and circular no. 04-05-2020 dated 9th May 2020 issued by Colombo Stock Exchange.

05 Acquisition of subsidiary

On 30th September 2019, the company has acquired 100% of the issued shares of WUS Logistics (Private) Limited at a total consideration of LKR 925 Mn. WUS Logistics (Private) Limited owns a Land of 41.5 acres situated in Kimbulapitiya will be developed for warehousing.

06 Disposal of subsidiary

Company disposed its investments in Horizon Holdings Ventures (Private) Limited during the year 2019/20. The purchase consideration amounting to LKR 475 Mn has been fully paid and the ownership has transferred on 20th March 2020.

07 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 2019 except for the following:

07.1 Bank guarantees issued by the banks on behalf of the Company as at 31st March 2020 are as follows.

| | LKR |
|-------------------------------|-----------------------------|
| Nations Trust Bank PLC | 1,080,004,940 |
| Hatton National Bank PLC | 1,036,425,451 |
| Sampath Bank PLC | 32,368,800 |
| Bank of Ceylon | 286,957,930 |
| People's Bank | 2,003,218,605 |
| National Development Bank PLC | 765,634,658 |
| Commercial Bank of Ceylon PLC | 29,700,000 |
| Cargills Bank Limited | 561,779,158 |
| Seylan Bank PLC | 755,910,849 |
| DFCC Bank PLC | 21,379,478 |
| | <u>6,573,379,869</u> |

Corporate Guarantees issued by Sathosa Motors PLC on behalf of Access Motors (Pvt) Limited (formerly known as SML Frontier Automotive (Pvt) Limited) amounting to Rs. 1,077.3 Mn as at 31st March 2019, have been revised for an amount of LKR 481.5 Mn and USD 1 Mn.

Corporate guarantees issued by the company on behalf of Access Projects (Private) Limited, Sathosa Motors PLC and Harbour Village (Private) Limited, for banking facilities are LKR 250Mn, LKR 500Mn and LKR 300Mn respectively.

07.2 Tax Assessment

Income tax assessment received for the year of assessment 2016/17.

The Department of Inland Revenue has raised an assessment of Income Tax for the year of assessment 2016/17, assessing the tax exemption claimed under Section 17 A (2) (c) of Inland Revenue Act No. 10 of 2006 to pay income tax LKR 152,641,422/- plus penalty of LKR 63,597,614/-. The company has filed valid appeal against this assessment.

ACCESS ENGINEERING PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2020



08 Business Segment

| | Construction | Construction related material | Property | Automobile | Adjustments and eliminations | Group total |
|---|----------------------|-------------------------------|--------------------|---------------------|------------------------------|----------------------|
| For the Year Ended 31st March 2020 (Unaudited) | | | | | | |
| In LKR | | | | | | |
| Revenue | | | | | | |
| External customers | 15,962,176,291 | 3,049,209,361 | 803,171,586 | 4,208,692,087 | - | 24,023,249,326 |
| Inter segment | 699,343,963 | 1,665,698,543 | 77,668,526 | 2,100,572 | (2,444,811,605) | - |
| Total revenue | 16,661,520,254 | 4,714,907,905 | 880,840,113 | 4,210,792,659 | (2,444,811,605) | 24,023,249,326 |
| Segment operating profit | 2,584,141,452 | 371,252,678 | 512,871,416 | 190,567,086 | (1,302,648,798) | 2,356,183,834 |
| Net finance income / (cost) | (344,597,710) | - | 85,323,164 | (304,435,630) | 7,270,115 | (556,440,061) |
| Share of results of equity accounted investees, net of tax (Note 8.1) | - | - | - | - | (1,184,273) | (1,184,273) |
| Income tax expense | (349,520,865) | - | (12,953,801) | 31,985,069 | - | (330,489,597) |
| Segment profit | 1,890,022,877 | 371,252,678 | 585,240,779 | (81,883,475) | (1,296,562,950) | 1,468,069,903 |
| Capital expenditure | 196,412,768 | 126,134,504 | 561,670,619 | 198,353,863 | 1,790,420 | 1,084,362,173 |
| Depreciation and amortisation | 694,888,296 | 159,724,225 | 48,355,050 | 137,106,397 | 20,045,501 | 1,060,119,469 |
| As at 31st March 2020 (Unaudited) | | | | | | |
| Segment assets | 36,732,351,694 | 1,957,822,424 | 19,409,695,059 | 5,876,989,447 | (14,288,380,540) | 49,688,478,084 |
| Segment liabilities | 16,624,906,629 | 824,067,995 | 4,606,924,755 | 3,710,282,008 | (1,023,256,268) | 24,742,925,119 |

| | Construction | Construction related material | Property | Automobile | Adjustments and eliminations | Group total |
|---|----------------|-------------------------------|----------------|----------------|------------------------------|----------------|
| For the Year Ended 31 March 2019 (Audited) | | | | | | |
| In LKR | | | | | | |
| Revenue | | | | | | |
| External customers | 17,656,309,121 | 3,049,723,377 | 772,864,116 | 10,798,544,580 | - | 32,277,441,194 |
| Inter segment | 478,188,355 | 1,390,177,802 | 73,501,364 | 327,215,398 | (2,269,082,919) | - |
| Total revenue | 18,134,497,476 | 4,439,901,179 | 846,365,480 | 11,125,759,978 | (2,269,082,919) | 32,277,441,194 |
| Segment operating profit | 2,711,897,839 | 463,324,067 | 570,098,166 | 594,583,985 | (560,194,611) | 3,779,709,446 |
| Net finance income / (cost) | (532,113,632) | - | 180,064,841 | (298,841,177) | - | (650,889,968) |
| Share of results of equity accounted investees, net of tax (Note 8.1) | - | - | - | - | (273,936) | (273,936) |
| Income tax expense | (583,063,290) | - | (172,410,277) | (119,484,842) | (8,230,131) | (883,188,540) |
| Segment profit | 1,596,720,917 | 463,324,067 | 577,752,730 | 176,257,966 | (568,698,678) | 2,245,357,002 |
| Capital expenditure | 716,087,352 | 17,065,290 | 187,716,633 | 427,157,654 | (39,509,005) | 1,308,517,924 |
| Depreciation and amortisation | 758,404,816 | 156,344,265 | 41,691,596 | 137,740,526 | 17,439,125 | 1,111,620,328 |
| As at 31st March 2019 (Audited) | | | | | | |
| Segment assets | 34,608,139,636 | 1,843,581,942 | 17,873,371,580 | 7,013,712,416 | (13,276,742,070) | 48,062,063,504 |
| Segment liabilities | 16,290,063,874 | 787,983,121 | 3,237,135,553 | 4,966,109,943 | (807,307,605) | 24,473,984,886 |

08.1 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 | |
|-----------------------------|--------------------------------------|------------|------------------------------------|-------------|---------------------------------------|--------------|-------------|-----------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited | Unaudited | Audited |
| Share of profit, net of tax | 22,053,532 | 27,081,772 | - | (1,855,822) | (23,237,805) | (25,499,887) | (1,184,273) | (273,936) |
| | 22,053,532 | 27,081,772 | - | (1,855,822) | (23,237,805) | (25,499,887) | (1,184,273) | (273,936) |

09 Share Information

09.1 Public Share Holdings

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

| As at | 31st March 2020 |
|--|-----------------|
| Public shareholding (%) | 45.836 |
| Number of public shareholders | 8,813 |
| Compliant under option 2 - Float adjusted market capitalization (LKR Mn) | 6,050 |

09.2 Directors Share Holdings

The number of shares held by the Board of Directors as at 31st March 2020 are as follows.

| | Number of Shares | % |
|--------------------------|------------------|-------|
| Mr. S J S Perera | 250,000,000 | 25% |
| Mr. R J S Gomez | 35,130,325 | 3.51% |
| 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 | 100 | 0.00% |
| Mr. N D Gunaratne | Nil | Nil |
| Mr. D S Weerakkody | 10,000 | 0.00% |

09.3 Twenty largest shareholders of the company as at 31st March 2020 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 Mrs. R M N Joshua | 70,000,000 | 7.00% |
| 4 Mr. S J S Perera | 50,811,814 | 5.08% |
| 5 Mrs. D R S Malalasekera | 45,000,000 | 4.50% |
| 6 Mr. R S J Gomez | 35,130,325 | 3.51% |
| 7 Foresight Engineering (Private) Limited | 30,824,098 | 3.08% |
| 8 Hatton National Bank PLC / Access International (Private) Limited | 30,000,000 | 3.00% |
| 9 Mr. S D Munasinghe | 24,000,000 | 2.40% |
| 10 Mr. S H S Mendis | 24,000,000 | 2.40% |
| 11 Mr. D A R Fernando | 24,000,000 | 2.40% |
| 12 Employees Provident Fund | 20,478,289 | 2.05% |
| 13 SEB AB-Tundra Sustainable Frontier Fund | 18,282,027 | 1.83% |
| 14 Sri Lanka Insurance Corporation Ltd - General Fund | 14,607,170 | 1.46% |
| 15 Access Medical (Private) Limited | 13,000,000 | 1.30% |
| 16 Mercantile Investments and Finance PLC | 12,671,925 | 1.27% |
| 17 Mr. M J Fernando | 10,832,688 | 1.08% |
| 18 Nuwara Eliya Property Developers (Private) Limited | 8,102,042 | 0.81% |
| 19 Sri Lanka Insurance Corporation Ltd - Life Fund | 7,465,751 | 0.75% |
| 20 Deutsche Bank AG AS Trustee For JB Vantage Value Equity Fund | 5,072,312 | 0.51% |
| | <hr/> | |
| | 795,278,441 | 79.53% |
| Others | 204,721,559 | 20.47% |
| Total | <hr/> <hr/> | <hr/> <hr/> |
| | 1,000,000,000 | 100.00% |

09.4 Share Distribution

Shareholding as at 31st March 2020

| From | To | No of Holders | No of Shares | % |
|----------------|-----------|---------------|----------------------|-------------|
| 1 | 1,000 | 4,262 | 1,605,135 | 0.16% |
| 1,001 | 10,000 | 2,942 | 12,468,395 | 1.25% |
| 10,001 | 100,000 | 1,287 | 42,231,375 | 4.22% |
| 100,001 | 1,000,000 | 283 | 79,704,376 | 7.97% |
| Over 1,000,000 | | 58 | 863,990,719 | 86.40% |
| | | 8,832 | 1,000,000,000 | 100% |

| Categories of Shareholders | No of Holders | No of Shares | % |
|----------------------------|---------------|----------------------|-------------|
| Local Individuals | 8,304 | 745,391,366 | 74.54% |
| Local Institutions | 440 | 220,624,175 | 22.06% |
| Foreign Individuals | 71 | 4,114,341 | 0.41% |
| Foreign Institutions | 17 | 29,870,118 | 2.99% |
| | 8,832 | 1,000,000,000 | 100% |

09.5 Stated Capital

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

| As at | 31st March 2020 | 31st March 2019 |
|-----------------|-----------------|-----------------|
| Ordinary Shares | 1,000,000,000 | 1,000,000,000 |

09.6 Market Price Per Share

| In LKR | 2019/20 4th Quarter | 2018/19 4th Quarter |
|-------------|---------------------|---------------------|
| Highest | 21.9 | 14.4 |
| Lowest | 12.3 | 12.7 |
| Last Traded | 13.2 | 13 |

09.7 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.

| Debenture Type | Type 01 | Type 02 | Type 03 | Type 04 |
|--|---------------|---------------|---------------|---------------|
| Issue Date | 18-Nov-2015 | 18-Nov-2015 | 18-Nov-2015 | 18-Nov-2015 |
| Maturity Date | 18-Nov-2020 | 18-Nov-2021 | 18-Nov-2022 | 18-Nov-2023 |
| Interest Frequency | Semi-Annually | Semi-Annually | Semi-Annually | Semi-Annually |
| Coupon rate % | 10.25 | 10.45 | 10.72 | 10.95 |
| Effective Annual Yield % | 10.51 | 10.72 | 10.01 | 11.25 |
| IROCGS as at reporting date % | 9.70 | 9.79 | 9.83 | 9.87 |
| Market Values | | | | |
| Highest LKR. | 99.37 | NA | NA | NA |
| Lowest LKR. | 99.37 | NA | NA | NA |
| Last traded LKR. | 99.37 | NA | NA | NA |
| Last traded date | 13-Mar-2020 | NA | NA | NA |
| Other ratios as at date of last trade | | | | |
| Interest Yield % | 11.20 | NA | NA | NA |
| Yield to Maturity % | 11.19 | NA | NA | NA |

IROCGS - Interest rate of comparable government securities

Debt Security related ratios

| For the year ended / as at 31st March | 2020 | 2019 |
|---------------------------------------|------|------|
| Debt to equity ratio | 0.39 | 0.29 |
| Quick assets ratio | 1.06 | 1.51 |
| Interest cover | 3.86 | 3.90 |

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

E-mail: 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