



PROSPECTUS

ACCESS ENGINEERING LIMITED INITIAL PUBLIC OFFERING



ACCESS ENGINEERING LIMITED

**Offer for Subscription of
Twenty Million (20,000,000)
Ordinary Voting Shares
at Rs. 25/- per Share**

Issue opens on March 06, 2012

For further inquiries please contact



**Financial Advisors and Lead Managers to the Issue
NDB Investment Bank Limited**



**Co-Managers to the Issue
John Keells Capital
(a division of John Keells Holdings PLC)**

INVITATION TO THE INVESTOR

This invitation symbolises an opportunity to participate in the future growth prospects of Access Engineering Limited (AEL), a dynamic and progressive entity in the forefront of the civil engineering sector in Sri Lanka. Since its humble beginning in 2001, AEL has established itself as a leading construction company offering innovative value engineering solutions comprising design, procurement, construction and commissioning of numerous multi disciplinary engineering projects for both the Government of Sri Lanka and the private sector.

Over the short span of existence, AEL has carved out for itself a name and stature in the civil engineering space in the country which has enabled the Company towards continuous unprecedented growth while leveraging proficiency and competencies it possesses to generate value for a wider stakeholder base.

Through this Prospectus, AEL invites subscription in respect of Twenty Million (20,000,000) Ordinary Voting Shares at the Share Issue Price of Rs. 25/- per Share to raise Rs. 500 million.

In this document, a prospective investor will find detailed information about AEL and its business operations in addition to other statutory information relating to the Issue.

The Board of Directors of the Company urges the investing public to read this Prospectus carefully prior to making an investment decision.



This Prospectus is dated February 10, 2012

The delivery of this Prospectus shall not under any circumstance constitute a representation or create any implication or suggestion that there has been no material change in the affairs of the Company since the date of this Prospectus.

If you are in doubt regarding the contents of this document, you should consult your stockbroker, bank manager, lawyer or any other professional advisor.

All Applicants should indicate their respective CDS account number in the Application Form for reference.

As per the Directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited (CDS) dated November 30, 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the allotment of Shares under this Issue, the allotted Shares would be credited to the Applicant's CDS account so indicated. Please note that SHARE CERTIFICATE SHALL NOT BE ISSUED.

Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

You can open a CDS account through any member/trading member of the Colombo Stock Exchange (CSE) as set out in Annex A or through any Custodian Banks as set out in Annex B of this Prospectus.

Registration of the Prospectus

A copy of this Prospectus has been delivered for registration to the Registrar General of Companies in Sri Lanka in accordance with the Companies Act No. 07 of 2007 (the "Companies Act"). The following documents were attached to the copy of the Prospectus delivered to the Registrar General of Companies in Sri Lanka:

- 1) The written consent by the Financial Advisors and Lead Managers to the Issue, Co-Managers to the Issue, Auditors and Reporting Accountants to the Issue and to the Company, Secretaries of the Company, Lawyer to the Issue, Bankers to the Issue, Bankers to the Company and Registrars to the Issue for the inclusion of their respective names in this Prospectus.
- 2) The written consent by the Auditors to the Issue and to the Company that they have given their written consent to include their statement in the Prospectus, in the form and context in which it is included.
- 3) A declaration by each of the Directors of the Company in terms of the Companies Act No. 07 of 2007 confirming that each of them have read the provisions of the Companies Act No. 07 of 2007 and the CSE Listing Rules relating to the issue of a Prospectus and that those provisions have been complied with.

The said Financial Advisors and Lead Managers to the Issue, Co-Managers to the Issue, Auditors and Reporting Accountants to the Issue and to the Company, Secretaries of the Company, Lawyer to the Issue, Bankers to the Issue, Bankers to the Company and Registrars to the Issue have not withdrawn such consent, before the delivery of a copy of the Prospectus for registration with the Registrar General of Companies.

Registration of the Prospectus in Jurisdictions Outside of Sri Lanka

This Prospectus has not been registered with any authority outside of Sri Lanka. Non-resident investors may be affected by the laws of the jurisdiction of their residence. Such investors are responsible to comply with the laws relevant to the country of residence and the laws of Sri Lanka, when making the investment.

Responsibility for the Content of the Prospectus

This Prospectus has been prepared from information provided by Access Engineering Limited (hereinafter referred to as "AEL" or the "Company") and from publicly available sources. The Directors of the Company have seen and approved this Prospectus and collectively and individually, accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate.

Where representations regarding the future performance of AEL have been given in this Prospectus, such representations have been made after due and careful enquiry of the information available to AEL and making assumptions that are considered to be reasonable at the present point in time in their best judgement.

AEL accepts responsibility for the information contained in this Prospectus. While the Company has taken reasonable care to ensure full and fair disclosure of information, prospective investors are advised to carefully read this Prospectus and rely on their own examination and assessment of the Company including the risks involved prior to making any investment decision.

Representation

No person is authorised to give any information or make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorised by the Company.

Forward Looking Statements

Any statements included in this Prospectus that are not statements of historical fact constitute “Forward Looking Statements”. These can be identified by the use of forward looking terms such as “expect”, “anticipate”, “intend”, “may”, “plan to”, “believe”, “could” and similar terms or variations of such terms. However, these words are not the exclusive means of identifying Forward Looking Statements. As such, all or any statements pertaining to expected financial position, business strategy, plans and prospects of the Company are classified as Forward Looking Statements.

Such Forward Looking Statements involve known and unknown risks, uncertainties and other factors including but not limited to regulatory changes in the sectors in which the Company operates and its ability to respond to them, the Company’s ability to successfully adapt to technological changes, exposure to market risks, general economic and fiscal policies of Sri Lanka, inflationary pressures, interest rate volatilities, the performance of financial markets both globally and locally, changes in domestic and foreign laws, regulation of taxes and changes in competition in the industry and further uncertainties that may or may not be in the control of the Company.

Such factors may cause actual results, performance and achievements to materially differ from any future results, performance or achievements expressed or implied by Forward Looking Statements herein. Forward Looking Statements are also based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future.

Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to materially differ from that expected, expressed or implied by Forward Looking Statements in this Prospectus, investors are advised not to place sole reliance on such statements.

Investment Considerations

It is important that this Prospectus is read carefully prior to making an investment decision. For information concerning certain risk factors, which should be considered by prospective investors, see “Investment Considerations and Associated Risks” in Section 11.0 of this Prospectus.

Presentation of Currency Information and Other Numerical Data

The financial statements of the Company and currency values of economic data or industry data in a local context will be expressed in Sri Lanka Rupees. References in the Prospectus to “LKR”, “Rupees” or “Rs.” are to the lawful currency of Sri Lanka.

Certain numerical figures in the Prospectus have been subject to rounding adjustments, accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Presentation of Macroeconomic and Industry Data

Economic and Industry data used throughout this Prospectus are derived from the Central Bank of Sri Lanka, the Road Development Authority, Urban Development Authority, National Water Supply and Drainage Board, Ministry of Ports and Highways, “Mahinda Chinthana – Vision for the Future”, Project Pipeline 2010-2012 of Department of National Planning and various other industry data sources, which the Company believes to be reliable, but the accuracy and completeness of that information is not guaranteed. Similarly, industry surveys and other publications, while believed to be reliable, have not been independently verified and neither the Company, Financial Advisors and Lead Managers to the Issue nor the Co-Managers to the Issue make any representation as to the accuracy of that information.

The CSE has taken reasonable care to ensure full and fair disclosure of information in this Prospectus. However, the CSE assumes no responsibility for accuracy of the statements made, opinions expressed or reports included in this Prospectus. The pricing of the Shares to be issued herein has been decided by the Company.

ISSUE AT A GLANCE

**NUMBER OF ORDINARY VOTING SHARES
TO BE ISSUED**

20,000,000

SHARE ISSUE PRICE

Rs. 25/-

AMOUNT TO BE RAISED

Rs. 500,000,000/-

MINIMUM SUBSCRIPTION

(MINIMUM SUBSCRIPTION WILL BE ALLOTTED TO
ALL SUCCESSFUL APPLICANTS OF THE ISSUE)

400 SHARES (Rs. 10,000/-)

APPLICATION IN EXCESS OF THE MINIMUM SUBSCRIPTION SHOULD BE IN
MULTIPLES OF 100 SHARES

ISSUE OPENING DATE

MARCH 06, 2012

ISSUE CLOSING DATE

MARCH 15, 2012

OR THE DAY ON WHICH THE ISSUE BECOMES OVERSUBSCRIBED,
WHICHEVER IS EARLIER

EARLIEST ISSUE CLOSING DATE

MARCH 06, 2012

CSE LISTING

**TO BE LISTED ON THE DIRI SAVI BOARD OF THE CSE
AND SUBSEQUENTLY TO BE TRANSFERRED TO THE MAIN
BOARD OF THE CSE AS DETAILED IN SECTION 5.6
OF THE PROSPECTUS**



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1.0 CORPORATE INFORMATION

The Company	Access Engineering Limited
Legal Form of the Company	A public limited liability company incorporated in Sri Lanka on July 31, 2001 under the Companies Act No. 17 of 1982 and Re-registered under the Companies Act No. 07 of 2007 on February 06, 2008
Company Registration No.	PB 200
Place of Incorporation	Colombo, Sri Lanka
Registered Office	Access Engineering Limited “Access Towers” Level-8 278, Union Place Colombo 02 Tel: 011 2302302 Fax: 011 2302333
Secretaries of the Company	P W Corporate Secretarial (Pvt) Ltd 3/17, Kynsey Road Colombo 08 Tel: 011 4640360 Fax: 011 4740588
Auditors to the Company	KPMG Ford, Rhodes, Thornton & Co. (Chartered Accountants) 32A, Sir Mohamed Macan Markar Mawatha Colombo 03 Tel: 011 5426426 Fax: 011 2445872
Bankers to the Company	Bank of Ceylon Head Office 4, Bank of Ceylon Mawatha Colombo 01 Nations Trust Bank PLC 464, Galle Road Colombo 03 Sampath Bank PLC 110, Sir James Peiris Mawatha Colombo 02 Hatton National Bank PLC 16, Janadhipathi Mawatha Colombo 01 Commercial Bank of Ceylon PLC 54, Dehiwala Road Boralesgamuwa

CORPORATE INFORMATION

BOARD OF DIRECTORS OF ACCESS ENGINEERING LIMITED

Mr. Sumal Joseph Sanjiva Perera	Chairman/Chief Executive Officer
Mr. Joseph Christopher Joshua	Executive Director
Mr. Ranjan John Suriyakumar Gomez	Non-Executive Director
Mr. Dalpadoruge Anton Rohana Fernando	Executive Director/Chief Operating Officer
Mr. Shevantha Harindra Sudharaka Mendis	Executive Director/Director - Business Development
Mr. Thiththalapitige Anton Gratian Fernando	Executive Director/Director - Projects
Mr. Saumaya Dharshana Munasinghe	Executive Director/Director - Business Development
Mr. Alexis Indrajit Lovell	Independent Non-Executive Director
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	Independent Non-Executive Director
Mr. Niroshan Dakshina Gunaratne	Independent Non-Executive Director

2.0 RELEVANT PARTIES TO THE ISSUE

Financial Advisors and Lead Managers to the Issue	<p>NDB Investment Bank Limited 40, Navam Mawatha Colombo 02</p> <p>Tel: 011 2300385 Fax: 011 2300393</p>
Co-Managers to the Issue	<p>John Keells Capital (A Division of John Keells Holdings PLC) 130, Glennie Street Colombo 02</p> <p>Tel: 011 2306000 Fax: 011 2306160</p>
Legal Advisor/Lawyer to the Issue	<p>Ms. Priyanthi Pieris Attorney-at-Law Solicitor (England & Wales) 3/14D, Kynsey Road Colombo 08</p> <p>Tel: 011 4610476 Fax: 011 4614476</p>
Auditors and Reporting Accountants to the Issue	<p>KPMG Ford, Rhodes, Thornton & Co. (Chartered Accountants) 32A, Sir Mohamed Macan Markar Mawatha Colombo 03</p> <p>Tel: 011 5426426 Fax: 011 2445872</p>
Registrars to the Issue	<p>P W Corporate Secretarial (Pvt) Ltd 3/17, Kynsey Road Colombo 08</p> <p>Tel: 011 4640360 Fax: 011 4740588</p>
Bankers to the Issue	<p>Bank of Ceylon Corporate Branch 4, Bank of Ceylon Mawatha Colombo 01</p> <p>Tel: 011 2440080 Fax: 011 2446820</p> <p>National Development Bank PLC 40, Navam Mawatha Colombo 02</p> <p>Tel: 011 2448448 Fax: 011 2440262</p>

3.0 ABBREVIATIONS USED IN THE PROSPECTUS

Abbreviation	Description
ADB	Asian Development Bank
AEL	Access Engineering Limited
ARL	Access Realities (Private) Limited
ASI	All Share Index
ATS	Automated Trading System
AWPLR	Average Weighted Prime Lending Rate
BOI	Board of Investment of Sri Lanka
BOT	Build Operate Transfer
CAGR	Compound Annual Growth Rate
CBSL	Central Bank of Sri Lanka
CDS	Central Depository Systems (Private) Limited
CEO	Chief Executive Officer
CHEC	China Harbour Engineering Company Limited
COO	Chief Operating Officer
CSE	Colombo Stock Exchange
CSR	Corporate Social Responsibility
DI	Ductile Iron
EMS	Environment Management System
ESC	Economic Service Charge
FCBU	Foreign Currency Banking Unit
FY	Financial Year
GDP	Gross Domestic Product
GoSL	Government of Sri Lanka
HDD	Horizontal Directional Drilling
HDPE	High Density Polyethylene
HR	Human Resource
ICTAD	Institute for Construction Training and Development
IESL	Institution of Engineers, Sri Lanka
IPO	Initial Public Offering
ISO	International Organisation for Standardisation
JBIC	Japan Bank for International Cooperation
JKC	John Keells Capital
JV	Joint Venture
KDU	Kotalawala Defence University
LCB	Licensed Commercial Bank
MPI	Milanka Price Index
MSEW	Mechanically Stabilised Earth Walls
NBT	Nation Building Tax
NCASL	National Contractors Association of Sri Lanka
NDBIB	NDB Investment Bank Limited
NIC	National Identity Card
NRFC	Non-Resident Foreign Currency
NWSDB	National Water Supply and Drainage Board

ABBREVIATIONS USED IN THE PROSPECTUS

Abbreviation	Description
OCH	Outer Circular Highway
PER	Price Earnings Ratio
POA	Power of Attorney
PPP	Public-Private Partnerships
QMS	Quality Management System
RANSI	Rupee Account for Non-Resident Sri Lankan Investment
RCC	Reinforced Cement Concrete
RDA	Road Development Authority
RGFCA	Resident Guest Foreign Currency Account
RPM	Radiation Portal Monitor
SEC	Securities and Exchange Commission of Sri Lanka
SIA	Securities Investment Account
SLIPS	Sri Lanka Inter-bank Payment System
SRL	Social Responsibility Levy
tph	tons per hour
UCT	Unity Container Terminal
UDA	Urban Development Authority
UK	United Kingdom
UN	United Nations
USA	United States of America
USAID	United States Agency for International Development
USD	US Dollar
VAT	Value Added Tax
WFE	World Federation of Exchanges
WHT	Withholding Tax

4.0 GLOSSARY OF TERMS RELATED TO THE ISSUE

AEL/Company	Access Engineering Limited
AEL Group/Group	AEL and its subsidiary ARL
Applicant/s	Any investor who submits an Application Form under this Prospectus
Application Form/Application	The application forms that constitute part of this Prospectus through which the investors may apply for the Shares in Issue
Board/Board of Directors/Directors	The Board of Directors of AEL
Closure Date	The date of closure of the subscription list as set out in Section 5.10 of this Prospectus
Co-Managers to the Issue	John Keells Capital (JKC)
Financial Advisors and Lead Managers to the Issue	NDB Investment Bank Limited (NDBIB)
Foreign Investor/s	<ul style="list-style-type: none"> • Citizens of Sri Lanka who are resident outside Sri Lanka and above 18 years of age; • Corporate bodies incorporated or established outside Sri Lanka; • Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); • Regional and country funds approved by the Securities and Exchange Commission of Sri Lanka (SEC) <p>Please refer Section 5.12 of this Prospectus for further details</p>
Issue/IPO	An invitation to the public by the Company to subscribe to the Shares in Issue via an offer for subscription as detailed in Section 5.1 of this Prospectus
Local Time	Sri Lanka Time
Market Day	Any day on which CSE is open for trading
New Shares/Shares in Issue	Twenty Million (20,000,000) new Ordinary Voting Shares to be issued by the Company to the public at the Share Issue Price
Non-Retail Investor Category	Investors who do not fall under Retail Individual Investor Category and Unit Trust Investor Category
Ordinary Shares/Issued and Paid up Ordinary Shares/Ordinary Voting Shares/Shares	Ordinary voting shares of the Company
Prospectus	This Prospectus dated February 10, 2012 issued by AEL

GLOSSARY OF TERMS RELATED TO THE ISSUE

Retail Individual Investor Category	Individual investors who subscribe for Shares up to a value of Rs. 100,000/- (i.e. up to and inclusive of 4,000 Shares) [Ref: SEC/LEG/11/03/36]
Share Issue Price	Rs. 25/- per Share
Stated Capital	The Stated Capital of AEL
Unit Trust Investor Category	Growth or balance unit trusts operated by managing companies licensed by the SEC, where such unit trust comprises of not less than 500 Unit Holders resident in Sri Lanka who together hold at least 50% of that trust [Ref: SEC/LEG/11/03/36 and CSE Listing Rule 3.1.5 (b)(ii)]
Unit Holder	An individual who has made an investment in units not exceeding the value of Rs. 10,000,000/- in unit trust funds [Ref: SEC/LEG/11/06/01]

5.0 DETAILS OF THE ISSUE

5.1 The Issue

The Issue contemplated herein shall constitute an invitation made to the public to purchase Twenty Million (20,000,000) new Ordinary Voting Shares of the Company at the Share Issue Price.

The New Shares would be issued to the extent possible based on the Applications for Shares, among the following broad investor categories.

Investor Category	Percentage of Issue (%)
Retail Individual Investor Category	40%
Unit Trust Investor Category	10%
Non-Retail Investor Category	50%
	100%

5.2 Nature of the New Shares

From the date of allotment, the New Shares shall rank equal and *pari passu* in all respects with the existing Ordinary Voting Shares of the Company and confer to the holder the right to one vote on a poll at a meeting of the Company on any resolution, the right to an equal share in any dividend that may be paid by the Company and the right to an equal share in the distribution of the surplus assets of the Company in a liquidation.

5.3 Size of the Issue

If fully subscribed, the Issue would raise Rupees Five Hundred Million (Rs. 500,000,000/-).

5.4 Share Issue Price

The Share Issue Price will be Rs. 25/- per Share. The Board of Directors is of the opinion that the Share Issue Price is fair and reasonable to the Company and to all existing shareholders of the Company.

5.5 Objectives of the Issue

AEL has undertaken the design and construction of five 12 storeyed Buildings (G+11 floors) at Henamulla, Colombo 15 with a total project value of Rs. 2,950 million, as morefully described in Section 6.2.1.5 of the Prospectus. The project which is a design and build lump sum contract, is to be financed by AEL as per the contractual agreement signed with Urban Development Authority (UDA). On October 17, 2011, AEL received a sum amounting to approximately Rs. 435 million as a mobilisation advance from the UDA in order to commence operations. The balance amounting to approximately Rs. 2,515 million (backed by bank guarantees) will be received by AEL from the client, UDA only after the expiration of six months from the date of handing over the project upon the estimated completion in 2014. The balance funds required to develop and complete the project will be part financed by AEL using the proceeds of this Issue amounting to Rs. 500 million and the excess funds remaining from the share issue carried out on June 9, 2011 amounting to Rs. 687 million as morefully described in Section 9.2 of the Prospectus. The remaining investment required to complete the project subsequent to the above funding will be financed by AEL using bank borrowings and internally generated funds as and when required.

The Company expects to utilise the IPO proceeds during the Financial Year (FY) 2012/13.

The IPO would facilitate AEL to obtain a listing on the CSE as morefully described in Section 5.6 and to further broad-base the public ownership of the Company and strengthen its identity through increased visibility and brand image amongst the public.

AEL believes that fulfilment of the objectives mentioned herein is imperative for the growth of the business of the Company.

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5.6 Listing

An application has been made to the CSE for permission to deal in and for a listing of One billion (1,000,000,000) Ordinary Voting Shares being the entirety of the Issued and Paid up Ordinary Shares represented in the Stated Capital of the Company subsequent to the IPO.

Although AEL is already in compliance with Rules 2.1.2 (a), (b), (c) and (d) of the Listing Rules of the CSE (as the rule currently stands), due to 17.6% of the total Public Holding of 36.56% (assuming the Company obtains a listing on a date after March 21, 2012) being locked until June 9, 2012, (as referred in Section 9.1, in compliance with SEC Circular No. 01/2011 of February 7, 2011 and subsequent revision by Circular No. 03/2011 of February 24, 2011) and not being available for trading, the CSE would initially list the Shares of AEL on the 'Diri Savi' Board. The Company is in compliance with Rule 2.1.3 of the CSE Listing Rules for a listing on the 'Diri Savi' Board of the CSE.

However, upon the unlocking of 17.6% of the Company's public holding by June 9, 2012, the Company will be eligible to be transferred to the Main Board of the CSE (subject to the Company satisfying the Main Board criteria applicable at such time).

5.7 Cost of the Issue

The total costs associated with the Issue are estimated to be approximately Rs. 28 million. These include all direct costs and expenses associated with the Issue, inclusive of but not limited to the initial listing fees to the CSE, management/advisory fees to the Financial Advisors and Lead Managers to the Issue and Co-Managers to the Issue, fees for the registrar function, advisory fees, certain legal, consultancy and accountancy fees, advertising and promotional costs, printing costs, brokerage commissions and stamp duty. Such costs will be met through internally generated funds of the Company.

5.8 Brokerage

Brokerage at the rate of zero decimal six per centum (0.6%) of the Share Issue Price will be paid in respect of the number of New Shares allotted on Applications bearing the original seal of any bank operating in Sri Lanka or a member/trading member of the CSE, NDBIB, JKC or any other intermediary appointed by the Company involved in the marketing of the Issue.

5.9 Minimum Subscription and Underwriting

There is no minimum amount required to be raised on this Issue.

The Company has not entered into any underwriting arrangement with regards to this Issue.

The Company shall seek a listing irrespective of whether the Issue is fully subscribed or not (subject to the Company satisfying the requirements of the CSE Listing Rules for such listing). In the event of an undersubscription, the subscribers will be allotted the Shares they have applied for and the Company would finance the balance funds required through internally generated funds and borrowings in order to meet the objective of the Issue as stipulated in Section 5.5 of this Prospectus.

5.10 Opening of Subscription List and Closure Date

The subscription list for the New Shares will open at 9.00 a.m. on March 06, 2012 and shall, subject to the occurrence of the event in the following paragraph, remain open for seven (07) Market Days (including the date of opening) until closure at 4.30 p.m. on March 15, 2012. Application may however be made forthwith.

In the event of an oversubscription of the New Shares prior to March 15, 2012, the Company shall inform the CSE in writing immediately of such fact and the subscription list will be closed at 4.30 p.m. on the same day on which it is fully subscribed. Also, the Board reserves the discretion to close the subscription list on any Market Day within the aforesaid period of seven (07) Market Days irrespective of whether the Issue is oversubscribed or not, by providing one (01) Market Day's prior notice to the CSE.

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5.11 Inspection of Documents

Articles of Association, Auditors' Reports and Audited Financial Statements for the five (05) financial years ended March 31, 2011 (i.e. the five (05) financial years immediately preceding the date of this Prospectus) and Interim Financial Statements for the nine (09) month period ended December 31, 2011 would be made available for inspection by the public during normal working hours at the registered office of the Company, "Access Towers", Level 8, 278, Union Place, Colombo 02, for a period not less than fourteen (14) Market Days as per Rule 3.1.19(a) of the CSE Listing Rules.

The Prospectus, Application Form and Articles of Association of the Company will be available on the website of the CSE, www.cse.lk, the website of the Company, www.accessengsl.com, the website of Financial Advisors and Lead Managers to the Issue, www.ndbib.com and the website of Co-Managers to the Issue, www.keells.com for a period not less than fourteen (14) Market Days as per Rule 3.1.19(b) of the CSE Listing Rules.

5.12 Eligible Applicants

Applications are invited from the following categories of investors having a valid CDS Account:

- Citizens of Sri Lanka who are resident in or outside Sri Lanka and above 18 years of age; or
- Companies, corporations or institutions incorporated or established within Sri Lanka; or
- Corporate bodies incorporated or established outside Sri Lanka; or
- Approved unit trusts licensed by SEC; or
- Approved provident funds and contributory pension schemes registered/incorporated/established in Sri Lanka (in this case, Applications should be in the name of the Trustee/Board of Management); or
- Foreign citizens above 18 years of age (irrespective of whether they are resident in Sri Lanka or overseas); or
- Regional and country funds approved by the SEC.

Applications made by **individuals under 18 years of age** or those in the names of **sole proprietorships, partnerships, unincorporated trusts** and **non-corporate bodies** will be **rejected**.

Applications submitted under the Unit Trust Investor Category should conform to the criteria defined by the SEC Directive dated June 6, 2011 (Ref: SEC/LEG/11/06/01).

Eligible Applicants may fall into one of the following categories.

- Retail Individual Investor Category
- Unit Trust Investor Category
- Non-Retail Investor Category

Please refer Section 4.0 "Glossary of Terms Related to the Issue" for details on the aforementioned categories.

5.13 Procedure for Application

Applicants applying for the New Shares should submit their Applications in the manner as set out in this Prospectus.

The Prospectus will be made available free of charge from the collection points listed in Annex A. The Prospectus can also be downloaded from www.cse.lk, www.accessengsl.com, www.ndbib.com and www.keells.com.

5.13.1 How to Apply

APPLICANTS SHOULD APPLY ONLY THROUGH ONE INVESTOR CATEGORY (INCLUDING JOINT APPLICANTS) AND WOULD BE PERMITTED TO SUBMIT ONLY ONE APPLICATION FORM. TWO OR MORE APPLICATIONS SUBMITTED BY THE SAME APPLICANT EITHER UNDER THE SAME CATEGORY OR DIFFERENT CATEGORIES WILL BE CONSTRUED AS MULTIPLE APPLICATIONS AND WILL BE REJECTED.

Applicants falling under Retail Individual and Non-Retail Investor Categories should apply for the New Shares on the Application Form printed for this purpose, which constitutes part of this Prospectus. Such Application Forms will be made available from the collection points listed in Annex A and can also be downloaded from **www.cse.lk, www.accessengsl.com, www.ndbib.com** and **www.keells.com**. **Exact size photocopies of the original Application Form will also be permissible under Retail Individual and Non-Retail Investor Categories.**

Applicants applying under the **Unit Trust Investor Category** must apply for New Shares using the separate **YELLOW coloured** Application Form printed for this purpose, which constitutes part of the Prospectus. Such Application Forms will be made available through the registered office of the Company, "Access Towers", Level 8, 278, Union Place, Colombo 02, Registrars to the Issue, P W Corporate Secretarial (Pvt) Ltd, 3/17, Kynsey Road, Colombo 08, Financial Advisors and Lead Managers to the Issue, NDB Investment Bank Limited, 40, Navam Mawatha, Colombo 02 and Co-Managers to the Issue, John Keells Capital, 130, Glennie Street, Colombo 02. **Exact size copies of the Application Form printed on YELLOW coloured paper as specified herein will also be permissible under Unit Trust Investor Category.**

Applications submitted under the Unit Trust Investor Category should accompany a confirmation by the trustee confirming that such unit trust is in conformity with the criteria defined by the SEC Directive dated June 6, 2011 (Ref: SEC/LEG/11/06/01) and CSE Listing Rules, 3.1.5 (b)(ii).

Applicants applying under Retail Individual, Non-Retail and Unit Trust Investor Categories should submit their Application Forms to the Registrars to the Issue in terms of Section 5.13.8.

An Applicant of a joint Application, applying through another Application Form is also deemed to have made multiple Applications and will be rejected.

An Applicant who has made an Application under a margin trading account should not apply individually or jointly on a separate Application Form. Such Applications will also be construed as multiple Applications and will be rejected.

Subject to the above, the Company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed.

Please note that Applicant information such as full name, address, National Identity Card (NIC) number/passport number and residency will be downloaded from the database of CDS, based on the CDS account number indicated in the Application Form. Such information shall take precedence over information provided in the Application Form.

Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.

Care must be taken to follow the instructions on the reverse of the Application Form. Applications that do not strictly conform to such instructions and additional conditions set out hereunder or which are illegible may be rejected.

All Applicants should indicate their respective CDS account number in the Application Form for reference.

As per the Directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited dated November 30, 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the allotment of Shares under this Issue, the allotted Shares would be credited to the Applicant's CDS account so indicated. Please note that SHARE CERTIFICATE SHALL NOT BE ISSUED.

Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment will be made.

You can open a CDS account through any member/trading member of the CSE as set out in Annex A or through any Custodian Banks as set out in Annex B of this Prospectus.

PLEASE NOTE THAT ALLOTMENT OF SHARES WILL ONLY BE MADE IF YOU HAVE A VALID CDS ACCOUNT AT THE TIME OF SUBMISSION OF APPLICATION.

Applicants have the option of having their Shares 'locked' in the CDS as described below. Shares that are locked will not be available for trading purposes and will not be visible to the participant. Such Applicants would have to fill in the relevant section provided in the Application Form for this purpose. If the Applicant has not specified that the Shares need to be deposited to his/her 'locked' balance in the CDS account, the said Shares would be deposited to Applicant's 'trading' balance in the CDS account.

Operation of a 'locked' balance in the CDS

In order to preserve the confidentiality of shareholder information and to ensure that securities are not made available for trading for those shareholders who do not want to trade the securities, the CDS provides a mechanism where securities can be 'locked' in the CDS account.

The CDS maintains two balances for each CDS account, namely a 'trading' balance and a 'locked' balance. The trading balance would be visible to the CDS participant and all dealings and trading would be permitted on the said trading balance, as done normally.

As opposed to the trading balance, the locked balance will not be visible to the CDS participant and all dealings on such locked balance would be suspended thereby maintaining the confidentiality of the information and also safeguarding the account holder from any unauthorised sale by a broker.

At the option and request of an account holder, the CDS would transfer a named quantity of securities from the locked balance to the trading balance of a CDS account and/or from the trading balance to the locked balance.

5.13.2 Number of Shares Applied

Application should be for a minimum of four hundred (400) Shares, i.e. Rupees Ten Thousand (Rs. 10,000/-) and in multiples of hundred (100) Shares thereof.

Applications for less than four hundred (400) Shares or for a number which is not in multiples of hundred (100) Shares will be rejected and the accompanying cheques, bank drafts or bank guarantees will not be sent for clearing but be returned via ordinary post at the risk of the Applicant, or in the case of joint Applicants, the first named Applicant.

The cheque or bank draft or bank guarantee should be issued to the exact value of the number of Shares applied for multiplied by the Share Issue Price. Cheques, bank drafts or bank guarantees not conforming to the above requirement will be rejected at the outset.

Please refer Section 5.14.1 for details with respect to the mode of remittance.

5.13.3 Identification Information

All Applicants should provide in the Application, their CDS account number in the appropriate cage provided.

A valid CDS account number must be stated in the Application Form, and any Application Form which does not provide the appropriate identification information will be rejected. All information about the Applicant (i.e. name, address, nationality and NIC or passport number) will be downloaded from the database of CDS, based on the number given in the Application Form. In the event of any discrepancy between the information in the CDS and in the Application, the information in the CDS shall take precedence.

Any Application which does not carry a CDS account number, or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list or which indicates an inaccurate or incorrect CDS account number, shall be rejected and no allotment of Shares will be made.

5.13.4 Key Responsibility of a Non-Resident Investor

Non-resident investors may be affected by the laws of the jurisdiction of their residence. If the non-resident investors wish to apply for the Shares, it is their responsibility to comply with the laws relevant to the jurisdiction of their residence and of Sri Lanka.

5.13.5 Margin Trading

Applicants who wish to apply through their margin trading account, should submit the Application in the name of the **“margin provider/Applicant’s name”** signed by the margin provider.

The Applicants should state the relevant CDS account number relating to the margin trading account in the space provided for the CDS account number in the Application Form. The Shares shall be uploaded to the CDS account number of the margin trading account.

A photocopy of the margin trading agreement must be submitted along with the Application.

Please note that the margin provider can apply under its own name and such Applications will not be construed as multiple Applications. Details of multiple Applications are available under Section 5.13.1.

5.13.6 Applications Made Under Power of Attorney

In the case of Applications made under Power of Attorney (POA), a copy of the said POA, **certified by a Notary Public** to be a true copy of the original, should be lodged with the Registrars to the Issue along with the Application Form. **The original POA should not be attached.**

5.13.7 Joint Applications

If the ownership of Shares is desired in the name of one Applicant, full details should be given only under the heading, **SOLE/FIRST APPLICANT** in the Application Form. In the case of joint Applicants, the signatures and particulars in respect of all Applicants must be given under the relevant headings in the Application Form.

Joint Application Forms are permitted only for natural persons not exceeding three Applicants. Joint Applicants should note that all parties should either be residents of Sri Lanka or non-residents. An Applicant of a joint Application shall not apply through a separate Application Form either individually or jointly.

5.13.8 Submission of Applications

Application Forms properly and legibly filled in accordance with the instructions thereof, along with the applicable remittance (cheque or bank draft or bank guarantee only) for the full amount payable on Application should be enclosed in an envelope marked **“Access Engineering Limited – Initial Public Offering”** on the top left-hand corner and be addressed and dispatched by post or courier or delivered by hand to the Registrars to the Issue at the following address **prior to 4.30 p.m. Local Time on the Closure Date.**

**P W Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road
Colombo 08**

Applications may also be handed over to the Financial Advisors and Lead Managers to the Issue, Co-Managers to the Issue, Bankers to the Issue and their designated branches, members and trading members of the CSE as set out in Annex A **prior to 4.30 p.m. Local Time on the Closure Date.**

In the case of Applications dispatched by courier or post, such Applications should reach the Registrars to the Issue no later than 4.30 p.m. Local Time on the Market Day immediately following the Closure Date. Any Applications received after the above deadline shall be rejected even though the courier or postmark is dated prior to the Closure Date.

5.14 Payment of Application Monies

5.14.1 Mode of Remittance

Payment should be made separately in respect of each Application by way of a cheque or bank draft or bank guarantee for the full amount payable on application. Remittances on Applications will be deposited in a separate bank account in the name of **“Access Engineering Limited – Initial Public Offering”**.

Payment for Applications for Shares of a value below Rs. 100,000,000/- could be supported by a cheque or bank draft or bank guarantee.

In such instances, Application Form should be accompanied by only one cheque or bank draft or bank guarantee and should be issued for the **full amount** indicated in the Application Form. **Any Application for Shares of a value below Rs. 100,000,000/- accompanied by two or more cheques or bank drafts or bank guarantees will be rejected at the outset.**

Applicants making Applications for Shares of a value above Rs. 100,000,000/- will be permitted to submit multiple bank drafts (not cheques) or multiple bank guarantees. Such Applicants are required to attach a list to the Application Form giving details of payment, such as amount of bank draft/bank guarantee, name of bank, name of branch and bank draft number/bank guarantee number.

Applications for Shares of a value above Rs. 100,000,000/- accompanying multiple bank drafts (not cheques) or multiple bank guarantees will not be rejected.

Cash will not be accepted. Anyone wishing to pay cash should obtain a bank draft from any Licensed Commercial Bank (LCB) in Sri Lanka.

5.14.2 Cheques or Bank Drafts – Resident Sri Lankan Investors

Cheques or bank drafts should be drawn on any LCB in Sri Lanka and crossed **“Account Payee Only”** and made payable to **“Access Engineering Limited – Initial Public Offering”**.

Cheques or bank drafts accompanying Application Forms made for less than four hundred (400) Shares, i.e. Rupees Ten Thousand (Rs. 10,000/-) or for a number which is not in multiples of hundred (100) Shares (as mentioned in Section 5.13.2) will not be sent for clearing and shall be returned via ordinary post at the risk of the Applicant, or in the case of joint Applicants, to the first named Applicant.

In the event that cheques are not realised within two (02) Market Days from the day of presenting the same to the bank for clearing, the Directors reserve the right to reject the Applications and return the Application monies. No allocation of Shares will be made to such Applicants.

Applicants residing in outstation areas from which cheque clearance may take over two (02) Market Days are advised to make payment via bank drafts to avoid any delays.

Cheques must be honoured on first presentation to the bank for the Application to be valid. Applications supported by cheques which are not honoured on first presentation will be rejected.

5.14.3 Bank Guarantees – Resident Sri Lankan Investors

Applications made by resident Sri Lankan investors backed by bank guarantees presented in line with the requirements set out in Section 5.14.1 will be accepted. Bank guarantees will be presented to the respective banks only after the New Shares have been allotted. Bank guarantees should be issued by any LCB in Sri Lanka and in favour of **“Access Engineering Limited – Initial Public Offering”** in a manner acceptable to the Company and be payable on demand.

Bank guarantees should be valid for a minimum of one (01) month from the date of the opening of the Issue (i.e. March 06, 2012).

Investors are encouraged to discuss with their relevant bankers with regard to the issuance of bank guarantees and all related charges that would be incurred by the investors.

Foreign Investors and non-resident Sri Lankan investors should refer Section 5.14.4.

5.14.4 Foreign Currency Remittance

This section is applicable to;

- Citizens of Sri Lanka who are above 18 years of age and resident overseas;
- Corporate bodies incorporated or established outside Sri Lanka;
- Regional or country funds approved by the SEC;
- Foreign citizens (irrespective of whether they are resident in Sri Lanka or overseas) who are above 18 years of age.

The abovementioned Applicants should make their payments using one of the following methods as the case may be.

(a) A Foreign Investor may invest through a Securities Investment Account (SIA) maintained with any LCB in Sri Lanka. The procedure for arranging payments through a SIA is presented below:

- A Foreign Investor may use the services of a custodian bank as an intermediary when investing in the Sri Lankan securities market;
- The intermediary may open a SIA, on investor’s behalf;

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- In conjunction with the SIA, an account with the CDS must be opened in case the investor does not possess a valid CDS account;
 - In respect of regional or country funds investing for the first time in Sri Lanka, the intermediary will facilitate the approval process regulated by the SEC;
 - Payment for New Shares should be made through a cheque or bank draft or bank guarantee issued by a LCB against the funds arranged through the SIA and made payable to **"Access Engineering Limited – Initial Public Offering"**.
- (b) A Foreign Investor may invest through inward remittances of foreign currency held in a Foreign Currency Banking Unit (FCBU) account of the Applicant maintained with any LCB in Sri Lanka:
- The Applicant should forward the Application Form supported by an unconditional bank guarantee drawn on the Applicant's FCBU account pending allotment of New Shares;
 - Upon allotment of New Shares, foreign currency to the extent of the Sri Lanka Rupee equivalent value of New Shares allotted would be called on the bank guarantee drawn on the Applicant's FCBU account. The requisite funds would then be credited to a SIA opened in favour of the Applicant via the aforementioned FCBU account;
 - This procedure would protect a prospective investor from any losses accruing due to fluctuating exchange rates.
- (c) In addition to the payments made through SIA and FCBU account mentioned above, a foreign citizen resident in Sri Lanka under the Resident Guest Scheme may invest through the Resident Guest Foreign Currency Account (RGFCA) maintained with any LCB in Sri Lanka. An investor who wishes to avail him/herself of this facility should make the payment for New Shares through a bank draft or an unconditional bank guarantee against the funds arranged through the RGFCA and made payable to **"Access Engineering Limited – Initial Public Offering"**.
- (d) Non-resident Sri Lankans can remit money for investment purposes in Sri Lankan companies through Rupee Account for Non-Resident Sri Lankan Investment (RANSI) maintained with LCBs in Sri Lanka:
- Sri Lankan citizens who have left the country to take up employment, business or a profession and continue to reside abroad and those citizens of Sri Lanka who have made their permanent place of abode outside Sri Lanka are eligible to operate a RANSI with LCBs in Sri Lanka;
 - Remittances by non-resident Sri Lankans in connection with this Issue could be made via cheques or bank drafts purchased out of funds arranged through the RANSI. There are no exchange control restrictions on remittance of funds that may be available in a RANSI;
 - Where a RANSI holder is also the holder of a Non-Resident Foreign Currency (NRFC) account, movement of funds between a RANSI and a NRFC account of the holder is freely permitted, so long as the account holder continues to reside abroad and does not cease to be a citizen of Sri Lanka. Therefore, funds in the NRFC account could be transferred to a RANSI through which investment in New Shares could be made.

Cheques or bank drafts or bank guarantees should be endorsed by the issuing custodian bank, to the effect that, arrangements have been made to facilitate such payment to be made against funds available in the individual's SIA/FCBU/RGFCA account. The endorsement must be clearly indicated on the cheque or bank draft or the bank guarantee. Alternatively, a document detailing the endorsement could be submitted along with the payment and Application.

Bank drafts drawn on a RANSI account should also be endorsed in line with the above.

Applications supported by foreign currency remittances should be made in conformity with requisite declarations accompanied by the documentation stipulated by the Controller of Exchange.

5.14.5 Restrictions Applicable to Foreign Citizens Resident in Sri Lanka

Foreign citizens resident in Sri Lanka may make payments through Sri Lanka Rupee Accounts only if they possess dual citizenship where one such citizenship is Sri Lankan. Foreign citizens having Sri Lankan citizenship should attach a certified copy of the citizenship certificate with the Application Form.

Foreign citizens residing in Sri Lanka having valid residency visas should note that they cannot make remittances via cheques or bank drafts or bank guarantees drawn on Sri Lanka Rupee accounts maintained with any LCB in Sri Lanka but may do so via SIA/FCBU/RGFCA account as detailed in Section 5.14.4 above. Applications made by foreign citizens not in accordance to the foregoing shall be rejected.

5.15 Rejection of Applications

- Application Forms which are incomplete in any way and/or are not in accordance with the terms and conditions set out in Section 5.0 of this Prospectus will be rejected at the absolute discretion of the Company.
- Any Application which does not carry a CDS account number, or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list or which indicates an inaccurate or incorrect CDS account number, shall be rejected and no allotment of Shares will be made.
- Application Forms stating third party CDS accounts instead of their own CDS account numbers, except in the case of margin trading accounts, will be rejected.
- Applications delivered by hand after 4.30 p.m. Local Time on the Closure Date of the Issue will be rejected. Applications received by courier/post after 4.30 p.m. Local Time on the succeeding Market Day immediately following the Closure Date of the Issue, will also be rejected even if they carry a courier acceptance date/postmark date earlier than the Closure Date.
- Applications made for less than four hundred (400) Shares or for a number which is not in multiples of hundred (100) Shares will be rejected.
- Applicants should apply only through one investor category and would be permitted to submit only one Application Form. Two or more Applications submitted by the same Applicant either under the same category or different categories will be construed as multiple Applications and will be rejected.
- The Company reserves the right to reject multiple Applications and suspected multiple Applications which are not allowed, as mentioned in Section 5.13.1.
- Payment for Applications of New Shares of a value below Rs. 100,000,000/- accompanying two or more cheques or bank drafts or bank guarantees as mentioned in Section 5.14.1, will be rejected at the outset.
- Applications made by individuals below 18 years of age or those in the names of sole proprietorships, partnerships, unincorporated trusts and non-corporate bodies will be rejected.

Notwithstanding any provision contained herein, the Board of Directors shall reserve the right to refuse any Application or to accept any Application in full or part.

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5.16 Banking of Payments

All cheques or bank drafts or bank guarantees received in respect of Applications will not be banked or called on until the Market Day after the Closure Date of the subscription list, in terms of the CSE Listing Rules.

5.17 Returning of Monies of Rejected Applications

Where an Application Form is rejected, the cheque or bank draft or bank guarantee received in respect of the Application will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, the cheque or bank draft or bank guarantee received in respect of the Application will be returned to the first named Applicant.

Where the Application Form is accepted and the cheque or bank draft or bank guarantee is not honoured by the bank at the first presentation, the Application will also be rejected and the dishonoured cheque or bank draft or bank guarantee will be returned via ordinary post at the risk of the Applicant. In the case of joint Applicants, the dishonoured cheque or bank draft or bank guarantee will be returned to the first named Applicant.

5.18 Allotment of Shares in Issue/Basis of Allotment

The allotments of Shares in Issue will be made to the various categories of Applicants, as set out in Section 5.1, treating all Applicants in a fair manner as may be decided by the Board at its discretion.

In the event of an undersubscription in the Retail Individual Investor Category, the Unit Trust Investor Category shall be given first priority in the allotment of the unsubscribed Shares.

In the event of an undersubscription in the Unit Trust Investor Category, the Retail Individual Investor Category shall be given first priority in the allotment of the unsubscribed Shares.

In the event of an undersubscription in the Non-Retail Investor Category, the quantum of Shares unsubscribed may be redistributed to the other two categories that may be oversubscribed in a fair manner at the discretion of the Board of Directors.

In the event of an undersubscription in the Retail Individual Investor Category and the Unit Trust Investor Category, the quantum of Shares unsubscribed may be redistributed to the Non-Retail Investor Category that may be oversubscribed.

In the event of an oversubscription in any one or more of the categories, in spite of the aforementioned distribution, the New Shares will be allotted at the discretion of the Board of Directors of the Company in a fair manner.

Redistribution will not apply in the event of an oversubscription or undersubscription in all the categories.

The Board of Directors of the Company will endeavour to decide and announce to the CSE the basis of allotments as soon as practical so as to ensure compliance with the CSE Listing Rules. Upon the allotments being decided, an announcement will be made to the CSE.

A written confirmation informing successful Applicants on their allotment of New Shares will be dispatched within ten (10) Market Days from the Closure Date as required by the CSE.

5.19 Refunds on Applications

Where an Application is accepted only in part or rejected in its entirety subsequent to cheques being realised, the balance/entirety of the monies received on Application as the case may be, will be refunded. Such refunds would be made on or before the expiry of ten (10) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules. Applicants would be entitled to receive interest at the last quoted Average Weighted Prime Lending Rate (AWPLR) published by the Central Bank of Sri Lanka (CBSL) plus 5%, on any refunds not made by the expiry of the abovementioned period.

Refunds via Sri Lanka Inter-bank Payment System (SLIPS)

- (i) The refund payment will be made to the bank account specified by the Applicant through the SLIPS on or before the expiry of ten (10) Market Days from the Closure Date (excluding the Closure Date) as required by the CSE Listing Rules and a payment advice shall be issued to the Applicant provided that the Applicant has submitted accurate and complete details of Applicant's bank account in the Application Form. However, SLIPS transfers are subject to a maximum limit of Rupees Five Million (Rs. 5,000,000/-) imposed by the CBSL with effect from October 29, 2010 as per Operating Instruction Circular No. 11/2010 dated October 25, 2010.
- (ii) Even though the Applicant has requested for SLIPS transfer for refund amounts and submitted accurate and complete details of the bank account in the Application Form, refund amounts exceeding Rupees Five Million (Rs. 5,000,000/-) will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Application Form.
- (iii) In the event the refund payment is effected via SLIPS based on the bank account details provided by the Applicant in the Application Form, but is rejected by the Applicant's bank due to inaccurate or incomplete information, such refund payments would be made via a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In such instances, the Company together with the Registrars to the Issue will send the refund cheques to such Applicants at the earliest possible and the Applicant should not hold the Company or the Registrars to the Issue accountable for such delays.

Bank codes and branch codes could be obtained from the website, **www.lankaclear.com** through the **Quick Links access**.

Refunds via Crossed Cheque

- (i) If the Applicant has not provided details of the bank account in the Application Form or has provided inaccurate or incomplete details of the bank account with respect to refunds via SLIPS, the refund payment will be made by a crossed cheque in favour of the Applicant and sent by ordinary post at the risk of the Applicant. In the case of a joint Application, a crossed cheque will be drawn in favour of the Applicant whose name appears first in the Application Form.
- (ii) A request for cancellation of crossing on the refund cheque, in instances where the Applicant does not maintain a current account, should be addressed to the Registrars to the Issue in writing, stating the cheque number and the fact that the Applicant does not maintain a current account. The refund cheque and a clear photocopy of the Applicant's NIC should accompany the letter.

DETAILS OF THE ISSUE

(iii) In the event of a refund cheque being delivered by hand by a third party to the Registrars to the Issue for cancellation of crossing, a letter of authorisation signed by the Applicant stating the NIC number of such third party should also be presented with the refund cheque. Refund cheques on which the crossings have been cancelled by the Registrars to the Issue should preferably be collected in person or by a third party authorised by the Applicant. Where an Applicant has requested the delivery of the cheque on which the crossing has been cancelled via post, such cheque will be sent at the risk of the Applicant.

5.20 Successful Applicants and CDS Lodgement

The New Shares allotted will be directly uploaded to the respective CDS account given in the Application Form before the expiry of eighteen (18) Market Days from the Closure Date of the Issue as required by the CSE Listing Rules.

All Applicants should indicate their respective CDS account number in the Application Form for reference.

As per the Directive of the Securities and Exchange Commission made under Circular No. 08/2010 dated November 22, 2010 and Circular No. 13/2010 issued by the Central Depository System (Private) Limited dated November 30, 2010, all Shares allotted must be directly uploaded to the CDS accounts. As such, all Applicants should indicate their CDS account number in the Application Form. Applicants who do not have a CDS account are advised to open a valid CDS account prior to submitting the Application, in order to facilitate the uploading of allotted Shares to their CDS account.

Please note that upon the allotment of Shares under this Issue, the allotted Shares would be credited to the Applicant's CDS account so indicated. Please note that SHARE CERTIFICATE SHALL NOT BE ISSUED.

Any Application which does not carry a valid CDS account number or indicates a number of a CDS account which is not opened at the time of the closure of the subscription list or which indicates an inaccurate/incorrect CDS account number, shall be rejected and no allotment of Shares will be made.

You can open a CDS account through any member/trading member of the CSE as set out in Annex A or through any Custodian Banks as set out in Annex B of this Prospectus.

A written confirmation, upon the completion of crediting the respective CDS accounts will be sent to the shareholder within two (02) Market Days of crediting the CDS accounts by ordinary post to the address provided by each shareholder.

Applicants have the option of having their New Shares 'locked' in the CDS. Shares that are locked would not be available for trading purposes and would not be visible to the participant. Such Applicants would have to fill in the relevant section provided in the Application Form for this purpose.

If the Applicant has not specified that Shares need to be deposited to the 'locked' balance, the said Shares would be deposited to Applicant's 'trading' balance.

Refer Section 5.13.1 for definition of 'locked'.

DETAILS OF THE ISSUE

The Shares shall not be transferable by the shareholders during the period between the date of allotment of the New Shares and up to the date of listing (excluding the date of listing) of the Ordinary Voting Shares (inclusive of the New Shares) on the CSE.

Upon the Ordinary Voting Shares being listed on the CSE, such Shares shall be freely transferable except for those Shares allotted by the Company during the last one year (01) period prior to the date of the listing on the CSE, as morefully described in Section 9.1 of this Prospectus.

5.21 Declaration to the CSE and Secondary Market Trading

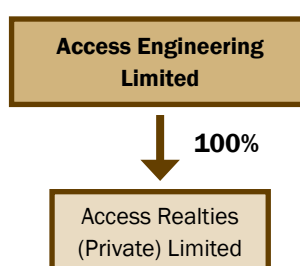
The Company will submit to the CSE a declaration on the Market Day immediately following the day on which Applicants' CDS accounts are credited with the New Shares. Trading of Ordinary Voting Shares on the secondary market will commence on or before the third (3rd) Market Day from the receipt of the declaration by the CSE as per the CSE Listing Rules.

6.0 BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

This section contains information pertaining to the business and the industry in which AEL operates. The industry information has been extracted and derived in part, from various official or publicly available sources. The Company believes that the sources of this information are appropriate for such information and have taken reasonable care in compiling and reproducing such information. While the Company has no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading, the information has not been independently verified by the Company or any of its advisors, and no representation is given as to its accuracy.

6.1 Group Structure

AEL functions as the holding company of AEL Group, which includes its fully owned subsidiary, Access Realities (Private) Limited (ARL). AEL carries out the Group's engineering business whilst ARL engages in the business of owning and operating the real estate assets under the Group.



6.2 Access Engineering Limited

AEL is an integrated engineering company, which stands in the forefront of developing large and complex infrastructure development projects by utilising innovative and state of the art technological solutions in construction. Since its humble beginning in 2001, the Company has been servicing and acquiring contracts in a diverse range of construction and infrastructure projects in varied sectors.

The key sectors and services portfolio of AEL are as follows:

Table 6-1: Key Sectors and Services Portfolio of AEL

Sectors	Services
Roads and Highways	Piling
Bridges and Flyovers	Trenchless Drilling – HDD
Water and Wastewater	Engineering Designs
Harbours and Marine Work	Geotechnical Services
Dredging and Reclamation	Asphalt Production
Telecommunication Infrastructure	Quarry Operations
Irrigation and Land Drainage	Concrete Production
Environment and Waste Management	Mechanical Workshops
Buildings	
Investment Projects	

The Company has been recognised as a preferred entity in the construction sector due to its delivery of high quality construction projects for both public and private sectors. AEL has also partnered with world renowned construction companies, positioning itself as a leading entity in the engineering and construction arena by securing over 100 civil engineering projects island-wide. All the construction activities of AEL are propelled through unique value engineering services, modern technologies and construction methods, thus enabling the Company to augment its project infrastructure expertise.

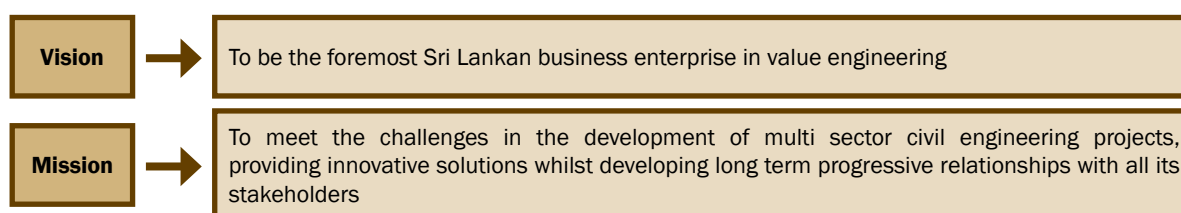
BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

Excellence in business operation of AEL has been rewarded with following accreditations by leading institutions, which has paved the Company to continuously deliver effective turnkey engineering solutions for its extensive clientele.

	<p>Institute for Construction Training and Development (ICTAD)</p> <p>The ICTAD has recognised AEL as one of the leading construction service providers in Sri Lanka.</p> <p>Based on the capacity and capability, the ICTAD has accredited AEL with C-1 grading (highest grading) for highways, bridges, water supply and drainage, irrigation and land drainage, dredging and reclamation, storm water drainage and groynes, revetments and reclamation while C-2, P-1 and EM-1 grading for building, piling and telecommunication respectively.</p>
	<p>National Contractor's Association of Sri Lanka (NCASL)</p> <p>The NCASL has recognised and accredited AEL as a major and specialist contractor.</p>
	<p>Institution of Engineers, Sri Lanka (IESL)</p> <p>The IESL has recognised and accredited AEL as an institution for training of engineers for their engineering charters in disciplines related to design and construction.</p>
	<p>ISO 9001:2008 Quality Management Systems (QMS)</p> <p>AEL is an ISO 9001:2000 QMS accredited company since September 2004 and was upgraded to ISO 9001:2008 in November 2009.</p>
	<p>ISO 14001:2004 Environmental Management System (EMS)</p> <p>AEL has been recognised and accredited with ISO 14001: 2004 for EMS since September 2009.</p>
	<p>UN Global Compact</p> <p>In November 2011, AEL became the first construction company in Sri Lanka to be admitted to the UN Global Compact.</p>

BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

Considering AEL's acceptance and superiority in the civil engineering space of the country, the Company has formulated its vision and mission statements with a view to strategise the direction of the entity.



6.2.1 Business Sectors and Industry Prospects

6.2.1.1 Roads and Highways Sector

AEL has a strong reputation in the infrastructure related construction projects. AEL's strength and expertise in road transportation and related construction, includes the construction of roads and highways and the widening and rehabilitation of roads. Over the years, AEL has established a sound track record for timely and successful completion of projects. From 2002 to date, the Company has completed many roads and highways sector projects and is presently involved in ongoing road development projects island-wide.

A snapshot of some of the completed and ongoing road construction projects by AEL is given below:

Table 6-2: Completed and Ongoing Roads and Highways Projects by AEL		
Project	Client	Period
Completed Projects		
A9 Road Network Improvement Project	RDA	2002 – 2004
Dehiwala - Maharagama Road	RDA	2004 – 2005
Colombo - Galle Road at Wadduwa Town	RDA	2004 – 2005
Sammanthurai - Deegavapi Road	RDA	2005 – 2006
Flood Damage Rehabilitation Component of Road Network Improvement Project	RDA	2005 – 2007
Malabe - Kaduwela Road	RDA	2006 – 2008
Colombo - Kandy Road at Kadawatha Town	RDA	2005 – 2009
Medawachchiya - Mannar - Thalaimannar (AA 014) Road	RDA	2006 – 2009
Southern Transport Development Project - Construction of Underpass Structures in ADB Section	Kumagai Gumi Company Limited/RDA	2003 – 2010
Badalkumbura - Buttala - Sellakataragama Road	RDA	2010 – 2011
Negombo – Mirigama Road	RDA	2010 – 2011
Access Road to "Gam Udawa - 97", Kataragama	RDA	2011
Minuwangoda - Gampaha - Miriswatta Road	RDA	2011
Improvements to roads in Kilinochchi Area - Nagendaspuram Beach Road, Sundikkulam Beach Road, Tharmakerny Poothavarayar Veethy Road, Mullaiyadi Veethy Road, Kottandarkulam Kovil Vayal Road and Muhavil Krishnan Kovil Road	RDA	2011
Deyata Kirula, 2012 - Rehabilitation and Improvements to Roads in North Central Province	RDA	2011 – 2012

BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

Completed and Ongoing Roads and Highways Projects by AEL		
Project	Client	Period
Ongoing Projects		
Rehabilitation of Thirrukkodiadimadu - Trincomalee Section of Trincomalee - Batticaloa Road (A15), Allai Kantale Road (B10) and 11.9km of Coastal Road	CHEC/RDA	2009 - 2012
Padeniya - Anuradhapura Road	Keangnam Enterprises Ltd/RDA	2011- 2012
Access Road to Hambantota International Airport	CHEC/Airport and Aviation Services (Sri Lanka) Limited	2011- 2012
Ambepussa - Kurunegala - Trincomalee Road (A06) from 157+000km to 167+280km and Kantale to Perathuweli (B196) Road	RDA	2011 - 2013
Design and Construction of Block Panel Retaining Wall for Outer Circular Highway (OCH) Project	CHEC/RDA	2011 - 2012
Surface Improvements to Internal Roads at Katunayake and Biyagama Export Processing Zones	Sri Lanka Land Reclamation & Development Corporation	2011 - 2012
Rehabilitation and Improvement of Northern Roads - AB032, AB016 and AB018	China Railway No. 5/RDA	2011 - 2013
Galagedara - Rambukkana Road (0.0 - 18.5km) B122	Xi'an Dagang Road Machinery Co. Limited/RDA	2011 - 2013

Some of the notable roads and highways projects by AEL are discussed below.

Rehabilitation of Thirrukkodiadimadu - Trincomalee Section of Trincomalee Batticaloa Road (A15), Allai Kantale Road (B10) and 11.9km of Coastal Road



Client: China Harbour Engineering Company Limited (CHEC)/ Road Development Authority (RDA)
Type: Design and Build Unit Price Contract
Funded by: Agence Francaise De Development, France
Project Value: Rs. 1,400 million
Period: 2009 - 2012

This project is a part of the Trincomalee Integrated Infrastructure Project. Scope of work for AEL with regard to this project consists of the design and construction of A15 road sector between 36.6km post - 92km post including the design of five main bridges, namely Kayankerni Bridge, Verugal Bridge, Ralkuli Bridge, Gangei Bridge and Upparu Bridge. Bridge design works were completed successfully during 2009 - 2010 period using the most up to date analysis, design and drafting software.

Upon completion of this project, it will assist the rehabilitation efforts of the Trincomalee and Batticaloa areas, which have been subject to natural disasters for many years and also help the economic and social development of the region.

Rehabilitation and Improvement of Northern Roads - AB032, AB016 and AB018



Client: China Railway No. 5/ RDA
Type: Design and Build Unit Price Contract
Funded by: Government of China
Project Value: Rs. 2,300 million
Period: 2011 - 2013

The rehabilitation of Jaffna - Palali (AB018), Jaffna - Kankasanthurai (AB016) and Puththur - Meesalai (AB032) roads were subcontracted to AEL by China Railway No. 5 who serves as the main contractor. Rehabilitation work is implemented under the supervision of the RDA.

Out of the three roads, work on AB016 was started first, in February 2011 shortly followed by AB032 and AB018. AEL has established an Asphalt mixing plant in Muhamale area to provide the required Asphalt for the project in a timely manner.

This is yet another construction venture in the Northern Province that will provide a much needed boost to the country's continuous infrastructure development for a better and brighter tomorrow. Rehabilitation and widening of these roads will help resume the livelihood and revitalise people of Jaffna peninsula.

Ambepussa - Kurunegala - Trincomalee Road (A06) from 157+000km to 167+280km and Kantale to Perathuweli (B196) Road



Client: RDA
Type: Employer Designed Unit Price Contract
Funded by: World Bank
Project Value: Rs. 864.7 million
Period: 2011 - 2013

Project envisages strengthening and reinforcing the existing pavement to address the rapidly deteriorating road condition and cater to ever increasing traffic volume from 157+000km (Kantale) to 167+280km (Ganthalawa) on A06 road and strengthening and reinforcing the existing pavement from Kantale to Perathuweli on B196 Road on which the heavy vehicles are de-routed to avoid damages to Kantale Dam, a part of A06 road from 157+500km to 159+500km.

Scope of work of AEL involves widening the roadway to a width of 16m, improvements to the existing pavement, longitudinal and cross drainage systems, reconstruction of three major bridges and road user safety control measures.

Deyata Kirula, 2012 - Rehabilitation and Improvements to Roads in North Central Province



Under Deyata Kirula 2012 programme activities, the development of highways, provincial roads and improvements in rural areas of Anuradhapura District have been initiated by Government of Sri Lanka (GoSL).

AEL was involved in this programme by way of implementing rehabilitation and improvements to several roads in North Central Province and construction of internal roads at Deyata Kirula Exhibition Area - Zone F.

Client: RDA

Type: Employer Designed Unit Price Contract

Funded by: RDA

Project Value: Rs. 853.5 million

Period: 2011 - 2012

Galagedara - Rambukkana Road (0.0 - 18.5km) B122



The image shows the current status of the road before the commencement of rehabilitation and improvement

The objective of the project is to rehabilitate and improve the existing road in order to increase the traffic capacity of the road. The scope of work of AEL includes the widening of a stretch of 10.2km of the 18.5km road, laying of asphalt, construction of ancillary structures and drains. Project completion will produce many benefits to the public such as reduction in travel time, increased comfort to the commuters through the improvement to the pavement, economic development of the region, etc.

Client: Xi'an Dagang Road Machinery Co. Ltd

Type: Design and Build Unit Price Contract

Funded by: China Development Bank

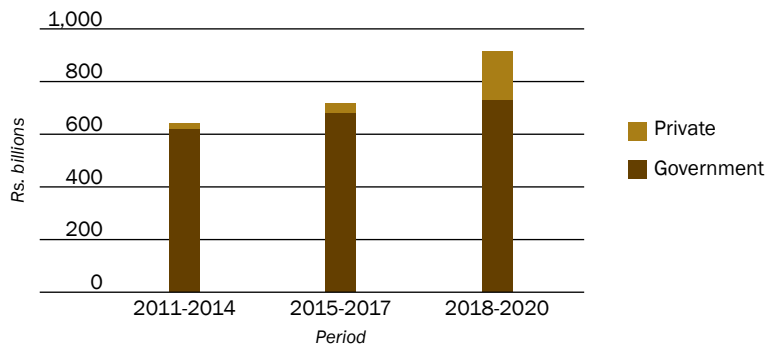
Project Value: Rs.1,040 million

Period: 2012 - 2014

Industry Prospects

Over the next ten years, development of the road network is considered to be a key focal point in the infrastructure development of the country. An efficient road network is indispensable in order to achieve the ambitious development goals set out by the GoSL for next few years. This fact is highlighted in the “Mahinda Chinthana - Vision for the Future”, the development policy framework of GoSL, which considers the improvement of road infrastructure to be a key objective in order to accelerate economic growth.

Figure 6-1: Proposed Investments in the Road Sector (2011 – 2020)



Source: Mahinda Chinthana - Vision for the Future

The project pipeline of the Ministry of Finance and Planning pertaining to investments in roads and transportation sector for the period from 2010 - 2012 is expected to be approximately Rs. 269 billion.

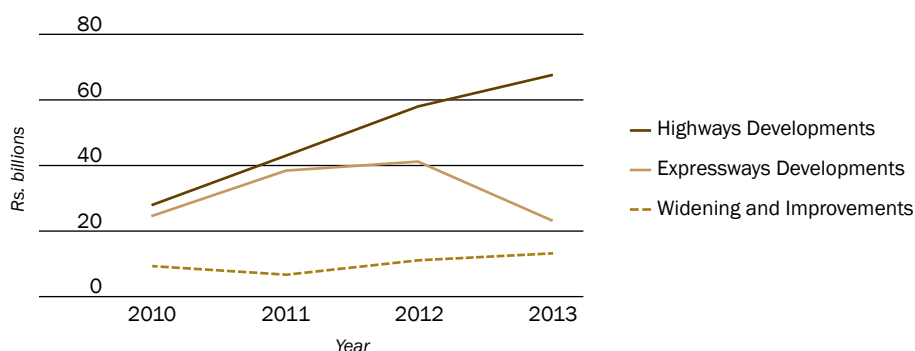
RDA is the principal organisation responsible for the maintenance and development of the national highway network in Sri Lanka. Its responsibilities include planning, design and construction of new highways, bridges and expressways as well as rehabilitation and maintenance of the existing network.

In line with GoSL's infrastructure development plans, Ministry of Ports and Highways together with RDA has formulated the “National Road Master Plan, 2007 – 2017” which articulates the long term plan of the RDA with regard to road network development in the country. The focus on the road modernisation and construction reached to an advanced level due to the long term focus of this programme. The “Road Master Plan” includes the construction of highways and expressways, improvements and widening of roads and highways and construction and rehabilitation of bridges and flyovers.

The main objectives of the plan include promotion of economic development of the country, facilitation of greater mobility, reduction of travel times and costs, improving accessibility and to meet current/expected future transport needs.

The Figure 6-2 demonstrates an upward trend in overall budget allocations for roads and highways sector from 2010 to 2013, in line with the GoSL's infrastructure development plan.

Figure 6-2: RDA Budget for Highways/Expressways Development and Road Widening/Improvements



Source: Budget Estimates 2012, Ministry of Ports and Highways

The prospects for infrastructure related construction sector has a promising growth potential. The road construction sector is expected to be a major contributor to the perceived growth. As per “National Road Master Plan, 2007 – 2017”, GoSL intends to promote infrastructure development through Public-Private Partnerships (PPP) in the future as well.

AEL has established itself as a reliable solution provider in road construction sector. This is strongly demonstrated by the repeat contracts received by AEL with regard to road construction on a continuous basis. Therefore, it is believed that AEL has the strength and the potential and will continue to embark on developing/contributing towards these projects in the future.

6.2.1.2 Flyovers and Bridges Construction Sector

AEL's expertise in infrastructure development sector has attracted some of the major bridge construction projects in the recent past. AEL embarked on flyover construction with Kelaniya Flyover Project in partnership with Mabey & Johnson of the UK (presently Mabey Bridge of the UK). This was built with the intention of eliminating traffic congestion in the Colombo - Kandy road caused due to the Peliyagoda railway crossing. With the success of the first flyover, AEL has been awarded most of the major flyover construction projects in Sri Lanka.

A snapshot of some of the flyover and bridge construction projects completed by AEL is given below:

Table 6-3: Flyover and Bridge Construction Projects Carried Out by AEL		
Project	Client	Period
Completed Projects		
Reconstruction of Bridge No. 1/3 on Wattala - Hekitta Road	RDA	2004 – 2005
Construction of Bridge No. 1/5 on Nawalapitiya - Dimbula Road	RDA	2005 – 2007
Kelaniya Flyover (Joint Venture (JV) with Maybey & Johnson, UK)	RDA	2007 – 2008
Bridge Across Ma Oya on Pannala - Maningamuwa - Mellawagedara Road	RDA	2006 – 2008
Nugegoda Flyover (JV with Maybey & Johnson, UK)	RDA	2008 – 2009
Dehiwala Flyover (JV with Maybey & Johnson, UK)	RDA	2009
Aruvi Aru Bridge Project	RDA	2009 – 2010
Sangupiddy Bridge on Mannar – Pooneryn - Karativu Road (A32)	RDA	2009 – 2011
Ongoing Projects		
Eastern and North Central Provincial Bridge Project – Phase 1	RDA	2011 – 2012

BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

Some of the notable flyovers and bridges constructed by AEL are discussed below:

Kelaniya Flyover



Client: RDA
Type: Design and Build Lump Sum Contract
Funded by: Government of the UK
Project Value: Rs. 1,950 million
Period: 2007 - 2008

AEL completed the design and construction of four lane 320m flyover across the railway line including two service roads in partnership with Mabey & Johnson of the UK. The Company managed to successfully complete the project in a record time of 90 days with minimum disturbance to commuters during the span of the project.

The construction of Kelaniya Flyover has significantly reduced traffic congestion on the Kandy road at Peliyagoda railway crossing. This has resulted in reduction of waste of fuel and time while minimising air pollution.

Nugegoda Flyover



Client: RDA
Type: Design and Build Lump Sum Contract
Funded by: Government of the UK
Project Value: Rs. 728 million
Period: 2008 - 2009

This is the third flyover funded by the British Government under the regional bridge programme. AEL together with Mabey & Johnson of the UK completed the designing and construction of a two lane 300m flyover across the main road including two service roads within just 100 days of commencement, minimising the inconvenience to the public.

The construction of Nugegoda Flyover has helped significantly in reducing the traffic congestion at the Nugegoda junction, where fuel and time saving as well as minimising air pollution can be noted as some of the other resultant benefits.

Aruvi Aru Bridge Project



Client: RDA
Type: Employer Designed Unit Price Contract
Funded by: Government of the UK
Project Value: Rs. 135 million
Period: 2009 - 2010

The Aruvi Aru Bridge was constructed across Malwathu Oya at Arrippu on Thallady - Arrippu - Marichchukaddi Road. The bridge consists of six bays, 7.35m wide and 259m long steel deck structure. The steel deck was erected over the Reinforced Cement Concrete (RCC) piers, built on pile foundations.

AEL was employed by the RDA of Sri Lanka and partnered by Maybe Bridge Limited UK, who supplied the steel superstructure for the project.

The project was completed in December 2010 providing uninterrupted accessibility to the commuters and families living either side of Malwathu Oya around Arrippu. This project also helped to reduce the difficulties experienced by the communities living in Thallady areas.

Sangupiddy Bridge on Mannar – Pooneryn – Karativu Road (A32) including Causeway Rectification



Client: RDA

Type: Design and Build Lump Sum Contract

Funded by: Government of the UK

Project Value: Rs. 1020 million

Period: 2010 - 2011

The Sangupiddy Bridge consists of a prefabricated steel girder structure and antiskid steel deck system erected on a RCC structure founded on piled foundations. It is 288m long and accommodates a 7.35m wide carriageway. The unfamiliar subsoil conditions of the area and the difficult terrain were the unique challenges the Company had to face while carrying out this endeavour. AEL, in partnership with Mabey Bridge Limited UK under the “Regional Bridge Programme” using British Government finance assistance began the construction of Sangupiddy Bridge in December 2010.

Sangupiddy Bridge was opened to the public on 16th January 2011 creating a unique landmark structure in Northern Province whilst enhancing the ease of commute of the people travelling between Jaffna Peninsula and the mainland

Eastern and North Central Provincial Bridge Project – Phase 1



Client: Eastern Province Road Development Department

Type: Employer Designed Unit Price Contract

Funded by: ADB (Asian Development Bank)

Project Value: Rs. 325 million

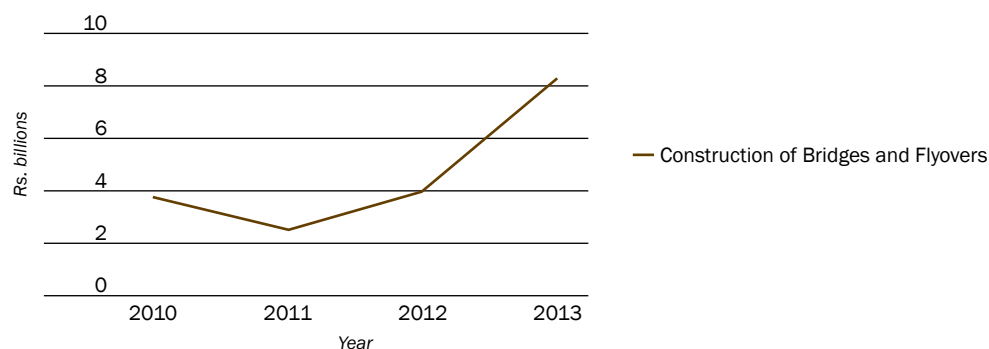
Period: 2011 - 2012

With the end of civil war in 2009, the GoSL commenced work on much needed infrastructure development projects in the Northern region of the country. These development projects include improving and rehabilitation work on bridges and culverts along various road links which are currently being rehabilitated. Eastern and North Central Provincial Bridge Project is a part of this larger development plan devised by the government to strengthen the country's road network. AEL's scope of work includes the design and construction of four bridges and six multi cell culverts.

Industry Prospects

The “National Road Master Plan, 2007-2017” of RDA includes the plan for construction of 21 flyovers and rehabilitation and reconstruction of 256 bridges in the country. In line with the long term development plan of the GoSL, the RDA budgetary allocations for construction of bridges and flyovers show an upward trend as demonstrated in Figure 6-3.

Figure 6-3: RDA Budget for Construction of Bridges and Flyovers



Source: Budget Estimates 2012, Ministry of Ports and Highways

With the successful track record of AEL in construction of bridges and flyovers, it is expected that the Company will have the potential to secure these projects and contribute to this sector in the years to come.

6.2.1.3 Water and Waste Water Management Sector

AEL has been involved in construction of many large scale water supply projects throughout the country. These included some large scale projects in Hambantota and Batticaloa. The areas of expertise of the Company in the sector include raw water intake, water treatment, transmission and distribution. Since inception, AEL has successfully completed many water supply and drainage projects and is involved with some of the ongoing development projects in the country.

A snapshot of some of the completed and ongoing water and waste water management sector projects by AEL is given below:

Table 6-4: Completed and Ongoing Water and Waste Water Management Projects by AEL		
Project	Client	Period
Completed Projects		
Greater Galle Water Supply Project	NWSDB	2002 – 2003
Aluthgama Water Supply Scheme	NWSDB	2006 – 2007
Beruwala Water Supply Scheme	NWSDB	2005 – 2007
Udawalawa Water Supply Scheme	NWSDB	2004 – 2007
Mahawa and Nikaweratiya Integrated Water Supply Scheme	NWSDB	2005 – 2008
Hambantota Water Supply Project (JV with China Geo Engineering Corporation of China and Salcon Engineering Berhad of Malaysia)	NWSDB	2006 – 2010
Batticaloa Water Supply Project (JV with China Geo Engineering Corporation of China and Salcon Engineering Berhad of Malaysia)	NWSDB	2007 – 2011
Batticaloa Water Tower Project (JV with China Geo Engineering Corporation of China)	NWSDB	2007 – 2011
Laying and Jointing of 900mm Ductile Iron (DI) Water Transmission Main at OCH Interchange on Highlevel Road	CHEC	2009 – 2011

Completed and Ongoing Water and Waste Water Management Projects by AEL		
Project	Client	Period
Ongoing Projects		
Ambalantota Salinity Barrier Project (JV with China Geo Engineering Corporation of China)	NWSDB	2009 – 2012
Design, Coordination, Supply and Installation of DI Pipes and other requisites for OCH Project to the City of Colombo	CHEC	2011 – 2012
Mattala Airport Water Supply Project	CHEC	2011 – 2013
Development and Operation of Additional Water and Wastewater Treatment Plants at Seethawaka Export Processing Zone, Avissawella	BOI	2012 – 2014

Some of the notable water supply and waste water management projects by AEL are discussed below:

Aluthgama Water Supply Scheme



Client: National Water Supply and Drainage Board (NWSDB)

Type: Employer Designed Unit Price Contract

Funded by: Japan Bank for International Cooperation (JBIC)

Project Value: Rs. 217 million

Period: 2006 - 2007

The scope of this project included supplying and installation of DI/HDPE pipes and fittings as well as associated civil works to provide water supply to tsunami affected areas along the Galle Road in Payagala and Aluthgama. Improvements to the existing aging asbestos-cement pipe distribution network was also a part of this project.

This project was the first ever water distribution system in Sri Lanka to use High Density Polyethylene (HDPE) pipes and fittings for the entire project. AEL managed to complete the project ahead of the scheduled time despite the tightness of the original schedule. Team effort has helped AEL in overcoming the difficulties caused by the Galle Road Rehabilitation Project, which was underway alongside the water supply project.

Hambantota Water Supply Project



Client: NWSDB

Type: Design and Build Lump Sum Contract

Funded by: ADB

Project Value: Rs. 2,200 million

Period: 2006 - 2010

Hambantota Water Supply Project was the first major design and construction water supply project to be implemented through a JV with China Geo Engineering Corporation of China and Salcon Engineering Berhad of Malaysia. The scope of the project included construction and completion of head works, raw water transmission main, treatment plant and treated pumping.

The existing water treatment plant at Ambalantota has a design capacity of 7,500m³/day and the capacity has been increased to 30,000m³/day with the new plant (15,000m³/day) under this project and another plant of capacity 7,500m³/day. At completion, the project is capable of supplying water for a population of 115,000 including water requirement for the people in the post-tsunami settlements.

Batticaloa Water Supply Project



Client: NWSDB

Type: Design and Build Lump Sum Contract

Funded by: ADB

Project Value: Rs. 4,140 million

Period: 2007 - 2011

Batticaloa Water Supply Project was initiated by the GoSL as one of the key development projects in the Eastern Province with the aid of ADB. The scheme is capable of providing water to nearly 85% of the population (450,000) of Batticaloa town and suburbs.

Project was started in September 2007 under the guidance of NWSDB and was implemented in partnership with China Geo Engineering Corporation of China and Salcon Engineering Berhad of Malaysia.

With this project, every household in Batticaloa District who had been deprived of basic needs for over thirty years due to the civil war will enjoy pipe borne drinking water. This is a huge improvement on their living standards as they will have the access to clean drinking water without having to walk for miles.

Ambalantota Salinity Barrier Project



Client: NWSDB

Type: Employer Designed Unit Price Contract

Funded by: ADB

Project Value: Rs. 957 million

Period: 2009 - 2012

Construction of a salinity barrier across Walawe River at Ambalantota is a part of the project for augmentation of Hambantota Water Supply Scheme. During dry periods of the year, raw water abstraction from Hambantota water intake is restricted due to the salinity intrusion and low flow conditions of Walawe River. Hence, a gated salinity barrier across the river downstream of existing and new water intakes are being constructed to prevent saltwater intrusion during dry months of the year and also to provide necessary ponding to maintain water surface elevation necessary for raw water extraction during periods of dry spell.

The scope of work includes investigations, survey, civil construction works, manufacture/supply, installation, testing of electro-mechanical works and commissioning of the gated salinity barrier. The Project is funded by the ADB and implemented by NWSDB.

Development of Additional Water and Wastewater Treatment Plants at Seethawaka Export Processing Zone, Avissawella



Enterprises in Seethawaka Export Processing Zone have planned to expand their activities in next two years and this has necessitated developing an additional water treatment plant having a capacity of 4000m³/day with an additional common wastewater treatment plant having the appropriate capacity to treat the effluent discharged from the expansion of enterprises.

The project has been entrusted to AEL (lead partner) and Salcon Engineering Berhad of Malaysia (partner), which includes geotechnical investigation, survey works, structural and hydraulic design of the treatment plants and the civil engineering construction works including laying, testing and commissioning of pipes and water mains. This is the first PPP, BOT type water project ever to be implemented in Sri Lanka.

Client: Board of Investment of Sri Lanka (BOI)
Type: Design and Build Operate Transfer (BOT) Contract through PPP
Financed by: AEL and Salcon Engineering Berhad of Malaysia
Project Value: USD 5.3 million
Period: 2012 - 2014
Operation: 2014 - 2034

Industry Prospects

Currently only 82% of the population in Sri Lanka has access to safe drinking water whilst only 40% has access to pipe borne water. The other sources of safe drinking water include water drawn from wells (32%), tube wells (8%) and from rainwater harvesting and natural springs (2%).

NWSDB is the principal authority responsible for providing, operating and maintaining the water supply and drainage systems in Sri Lanka. NWSDB has an ambitious investment plan for the next 5 years as illustrated in the Figures 6-4 and 6-5 below, for water supply and sewerage projects respectively.

Figure 6-4: Proposed Investments in Water Related Projects by NWSDB

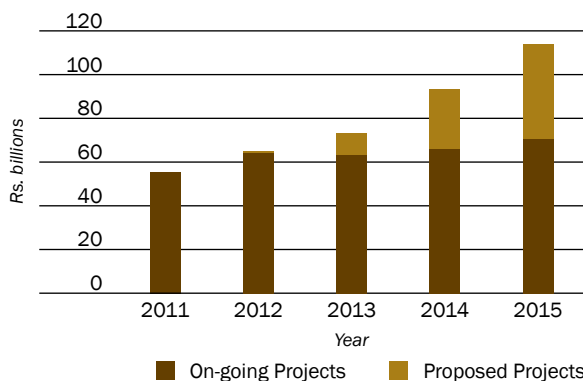
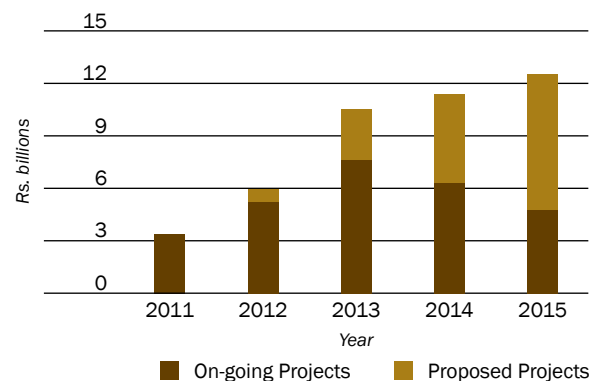


Figure 6-5: Proposed Investments in Sewerage Related Projects by NWSDB



Source: NWSDB 5-Year Investment Plan

In line with the “Millennium Development Goals” of the UN, the GoSL has a target of achieving 100% coverage for safe drinking water by 2025. The immediate goal is to reach 85% coverage by 2015. NWSDB has a target to provide pipe borne water for 45% of the population by 2015 and 60% by 2020.

With the past success record of AEL in water supply related construction projects, it is expected that growth potential of the sector will open new opportunities to AEL to develop some of the planned projects and establish itself further in this sector.

BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP


6.2.1.4 Ports and Marine Sector

AEL made a foray into this sector with the construction of a breakwater, quay wall and dredging for the Kudawella Fisheries Harbour. Since then, the Company has been actively involved in providing construction solutions for ports and marine sector of Sri Lanka.

A snapshot of some of the ports and marine sector construction projects by AEL is given below:

Table 6-5: Ports and Marine Sector Projects Carried Out by AEL		
Project	Client	Period
Completed Projects		
Construction of Pier at Nicholson Naval Base at Trincomalee	Sri Lanka Navy	2003 – 2004
Construction and Design of Major Work at Hikkaduwa, Mirrissa and Puranawella Fishery Harbours	USAID/CH2M HILL	2006 – 2008
Mega Port Project, Colombo		
Phase I	Tetra Tech, USA	2007
Phase II	AHTNA Government	2008
Phase III	Services Corporation/ Tetra Tech, USA	2011
Ongoing Projects		
Urgent Renovation Work at Unity Container Terminal (UCT), New North Pier in Port of Colombo	Sri Lanka Ports Authority	2011 - 2012

Some of the notable ports and marine sector projects completed by AEL are discussed below:

Construction of Pier at Nicholson Naval Base at Trincomalee	
	<p>This project was undertaken by AEL acting as the main contractor, aided by CHEC as a sub contractor. Scope of the work involved surveying, dredging and construction of the cell structure, pre-cast beams, graded rock base, top deck and fitting services.</p> <p>AEL was able to introduce a cost effective and time saving design for the project. This design was also marked by increased structural integrity, increased stability, more berthing capacity, less impact to the environment and provision for future development. The project was completed successfully in September 2004 making it a milestone project undertaken by the Company in its infant stage.</p>
<p>Client: Sri Lanka Navy Type: Design and Build Lump Sum Contract Project Value: Rs. 87 million Period: 2003 - 2004</p>	

Construction and Design of Major Work at Hikkaduwa, Mirrissa and Puranawella Fisheries Harbours



Client: Ceylon Fishery Harbours Corporation
Type: Design and Build Unit Price Contract
Funded by: United States Agency for International Development (USAID)
Project Value: Rs. 1,100 million
Period: 2006 – 2008

The design and construction of the marine facilities of the project were carried out by AEL under the supervision of CH2M HILL of the USA. Salient work included the design and construction of quay walls, slipways, dock for travel lift, major rehabilitation of all breakwaters and dredging and disposal of sand. During the undertaking of this project, AEL became the first private sector contractor to own a cutter section dredger. The project was also marked by the strict adherence to environmental regulations and quality assurance procedures followed by the Company.

Considerable reduction in wave height, additional berthing facilities, increased anchoring space and increased safety were some of the positive outcomes of this project.

Colombo Mega Port – Phase II and III



Client: AHTNA Government Services Corporation/Tetra Tech, USA
Type: Employer Designed Unit Price Contract
Funded by: Government of the USA
Project Value: Rs. 325 million
Period: Phase I - 2007
Phase II – 2008
Phase III – 2011

AEL's scope of work in this project involved the installation of one Radiation Portal Monitor (RPM) at the installation site, upgrading the existing RPMs and other electronic equipment, building a training centre and a Network Operations Centre (NOC).

Since the Government of the USA has decided to restrict the handling of their imports only to Mega Ports around the world, turning Colombo Port into a Mega Port will result in huge economic advantages to Sri Lanka.

Urgent Renovation Work at UCT, New North Pier in Port of Colombo



The image shows the damaged section of the UCT

Client: Sri Lanka Ports Authority
Type: Employer Designed Unit Price Contract
Funded by: Japanese Non-Project Grant Aid Counterparts Funds
Project Value: Rs. 416 million
Period: 2011 – 2012

This project was started with the intention of providing the necessary urgent renovations to restore failures occurred in the West and North revetments and to rehabilitate the yard and make the terminal fully functional.

Scope of work of AEL includes the dredging and construction of a rubble mounted embankment to protect the quay settlement, rectification of the settlement with anchor rods and tie rods, removing of the existing graded rock mound in the yard side along the existing north revetment and restoration of yard area facilities like water, electricity and gantry crane rail foundation.

Construction of Fuel Hydrant System within the Apron for Hambantota International Airport



Client: Ceylon Petroleum Corporation/CHEC of China
Type: Employer Designed Lump Sum and Unit Price Contract
Funded by: GoSL
Project Value: USD 4.5 million
Period: 2011 – 2012

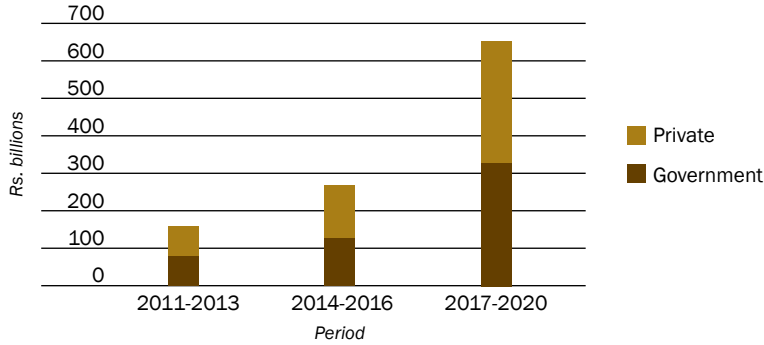
This project is a part of the Hambantota International Airport Project and AEL has undertaken the work of supply, fabrication, laying and commissioning of the fuel hydrant system within the apron area. Scope of work also includes all civil related work such as trenching, valve chambers, backfilling and reinstatement, etc. Once completed, Hambantota International Airport will serve as the second international airport of Sri Lanka.

Industry Prospects

The “Mahinda Chinthana – Vision for the Future”, spells out the GoSL’s vision to turn Sri Lanka into a transportation hub. In order to realise this goal, the development of port infrastructure is identified as a key area. The country has six major ports located in Colombo, Galle, Hambantota, Trincomalee, Kankasanthurai and Oluvil. The GoSL expects that upon completion of the proposed port development projects there will be a substantial increase in the overall cargo handling capacity.

Following graph demonstrates an increasing trend in port development related investments from 2011 - 2020.

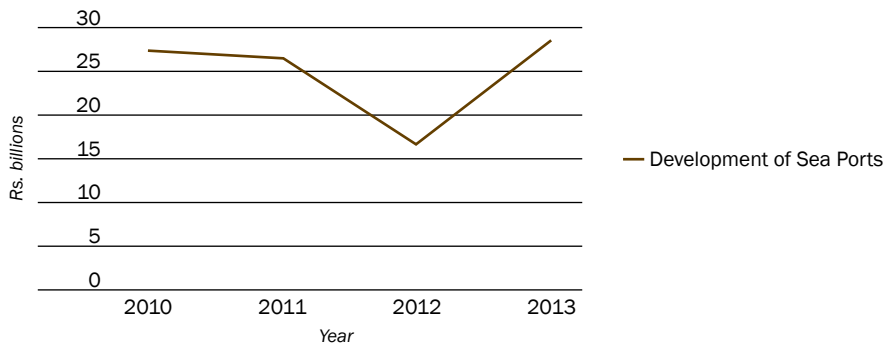
Figure 6-6: Proposed Investments in Ports (2011- 2020)



Source: Mahinda Chinthana - Vision for the Future

In line with the long term infrastructure development plan of GoSL, the budgetary allocations for development of Sea Ports show a favourable trend as demonstrated in Figure 6-7.

Figure 6-7: Budgetary Allocations for Development of Sea Ports



Source: Budget Estimates 2012, Ministry of Ports and Highways

AEL being a specialised and well equipped player in ports and marine sector, an enormous potential lies ahead with the commencement of projects in this investment plan.

BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

6.2.1.5 Building Construction

AEL has ventured into large scale building construction sector, establishing on its engineering experience and reputation for quality in civil engineering sectors. The Company has secured two major projects in 2011 as discussed below.

Table 6-6: Building Construction Projects Carried Out by AEL

Project	Client	Period
Ongoing Projects		
Construction of Fire Rescue Building and Cargo Building for Hambantota International Airport	CHEC	2011-2012
Design and Construction of Five 12 Storeyed Buildings at Henamulla, Colombo 15	UDA	2011-2014

Construction of Fire Rescue Building and Cargo Building for Hambantota International Airport



Client: CHEC

Type: Employer Designed Lump Sum Contract

Funded by: Government of People's Republic of China

Project Value: Rs. 782 million

Period: 2011 - 2012

AEL has been entrusted with the construction and commissioning of two support buildings for Hambantota International Airport, namely, cargo building and the fire rescue building.

At completion, the Airport project is expected to stimulate the development and infrastructure in the area, raising living standards of the people not only in Hambantota, but in nearby districts as well. It will also benefit other parts of the country and have a positive impact on tourism in the Southern Province.

Design and Construction of Five 12 Storeyed Buildings at Henamulla, Colombo 15



The image is a 3D view of the project upon completion

Client: UDA

Type: Design and Build Lump Sum Contract

Funded by: UDA

Project Value: Rs. 2,950 million

Period: 2011 - 2014

As a design and built project, AEL has undertaken the work of structural design and construction of all the civil engineering work of five 12 storeyed apartment blocks with 1137 housing units, design and installation of mechanical, electrical and plumbing works as well as landscaping of the grounds and the rehabilitation of the access road to the housing settlement.

At completion, this project will provide secure housing to families who are currently living in underserved settlements in and around Colombo, improving their quality of life by a large margin.

Industry Prospects

A continuous sign of growth prospects is witnessed in the construction sector in line with the expected high economic growth in Sri Lanka. There are a number of large scale construction projects that have been undertaken, both by the GoSL and the private sector including construction of commercial and residential complexes. The sector has grown at a Compound Annual Growth Rate (CAGR) of 8% during last five years and holds more promise in the future. The underserved relocation programme being carried out by the UDA can be considered as one such large scale housing construction project by the GoSL. UDA intends to construct 20,500 housing units as high-rise apartments under phase-I of the programme. AEL has already secured the building construction work at Henamulla housing complex as discussed above.

Following table depicts the already identified housing projects by UDA:

Site	Number of Housing Units
Dematagoda	500
Henamulla	1137
Aluth Mawatha	400
Ekala	7500
Muthurajawela	6500
Total	16037

Source: UDA

It is expected that the success of already commissioned projects would pave the way for AEL to take part in the upcoming housing projects of UDA.

6.2.1.6 Piling

AEL has successfully completed piling for many major construction projects. Piling work under AEL commenced in year 2003 with the construction of the pile foundations for the Water's Edge buildings in Battaramulla. AEL's expertise in piling ranges from piling for bridges, flyovers and large scale apartments/housing projects using percussion drilling technique as well as rotary drilling technique.

Following are some of the contracts undertaken by AEL, in which piling was carried out:

- Nawalapitiya - Lindula Bridge
- Hekitta Bridge, Wattala
- Akurala Bridge, Hikkaduwa
- Seenigama Bridge
- Hirana Bridge
- Aravi Aru Bridge
- Kalu Ganga Bridge
- Ralkuli Bridge, Muttur
- Railway Bridge across Nilwala Ganga
- Sanguppidy Bridge, Jaffna
- Dehiwala Flyover
- Nugegoda Flyover
- Kelaniya Flyover

As a result of the level of expertise shown by AEL in piling, the Company has been awarded contracts to carryout piling for many projects. Some of the notable projects include piling for Peliyagoda Fish Market Complex, Kotalawala Defence University and 500 housing units at Dematagoda.

BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

A snapshot of some of the completed and ongoing piling works by AEL is given below

Table 6-8: Piling Projects Carried Out by AEL		
Project	Client	Period
Completed Projects		
Kotalawala Defence University (KDU)	KDU	2010 - 2011
500 Housing Units at Dematagoda	UDA	2011
Ongoing Projects		
Piling Work for Construction of 1137 housing units at Henamulla	UDA	2011 - 2012

Some of the notable pilling projects by AEL are discussed below:

Kotalawala Defence University



Client: KDU

Type: Employer Designed Unit Price Contract

Funded by: GoSL

Project Value: Rs. 95 million

Period: 2010 - 2011

AEL carried out the pilling work for proposed medical faculty building complex at KDU Ratmalana. Piling work at KDU included installation of 278 cast in-situ bored piles of diameters ranging from 500 to 750mm.

AEL deployed two Bauer BG 24 drilling rigs in this pilling operation. The scope of work of this project included pile testing as well.

500 Housing Units at Dematagoda



Client: UDA

Type: Employer Designed Unit Price Contract

Funded by: UDA

Project Value: Rs. 188 million

Period: 2011

AEL undertook the pilling work for the construction of two, 10 storeyed building blocks with 500 housing units at Dematagoda, under phase II of the relocation of underserved settlement program of UDA.

This development program launched by UDA will not only assist in providing houses for shanty dwellers but also help to liberalise prime lands currently occupied by them.

Piling Work for Construction of 1137 Housing Units at Henamulla



Henamulla (Mattakkuliya) housing project comprises five 12 storeyed building blocks with 1137 housing units implemented under the development programme launched by the GoSL through UDA to provide housing facilities to the underserved settlements in and around Colombo.

Scope of work includes the installation of around 393 in-situ bored piles for the five apartment blocks including testing of piles.

Client: UDA

Contract Type: Design and Build Lump Sum Contract

Funded by: UDA

Period: 2011 - 2012

In addition to the above projects, AEL would have opportunities in piling work related to road construction projects. As highlighted in the aforesaid Sections 6.2.1.1 and 6.2.1.2, the roads and highways sector including the construction of flyovers and bridges is expected to grow in the future.

6.2.1.7 Telecommunication Infrastructure Sector

AEL is one of the premier network construction contractors in Sri Lanka. The Company has designed and constructed most of the fibre optic networks for Dialog Axiata PLC, one of the leading telecommunication service providers in Sri Lanka.

A snapshot of some of the telecommunication related construction projects completed by AEL is given below:

Table 6-9: Telecommunication Related Projects by AEL

Project	Client	Period
Completed Projects		
Construction of Tower Foundations	Celltel Lanka Private Limited (Currently, Etisalat Lanka Private Limited)	2006 – 2007
Implementation of Optical Fibre Network in Greater Colombo area	Dialog Axiata PLC	2006 – 2008
Island-wide Optical Fibre Backbone Network Project	Dialog Axiata PLC	2008 – 2011
Ongoing Projects		
Colombo Metro Optical Fibre Network	Dialog Broadband Networks Private Limited	2009 – 2012
Aerial Optical Fibre Network Project	Huawei Technologies Lanka Company Private Limited	2011 – 2013

Some of the notable telecommunication sector projects by AEL are discussed below:

Implementation of Optical Fibre Network in Greater Colombo Area



Client: Dialog Axiata PLC
Type: Design and Build Unit Price Contract
Funded by: Dialog Axiata PLC
Project Value: Rs. 1,100 million
Period: 2006 - 2008

AEL completed the design and implementation of a 165km of four way fibre optic network in Greater Colombo for Dialog Axiata PLC by extensively using Horizontal Directional Drilling (HDD) technology, a trenchless method of installation of underground pipes and ducts. The Vemeer HDD machine used for this project enabled AEL to install the cables under obstacles such as roads, culverts and railroad tracks with minimum impact to the ground surface.

The main objective of the project was to enhance the capacity of the traditional microwave transmission link by providing an optical fibre backbone, covering network interconnections, connecting base stations controllers, mobile switching centres and transmission hubs in Greater Colombo.

Island-wide Optical Fibre Backbone Network Project



Client: Dialog Axiata PLC
Type: Design and Build Unit Price Contract
Funded by: Dialog Axiata PLC
Project Value: Rs. 2,380 million
Period: 2008 - 2011

AEL was entrusted with design and implementation of a 130km of four way fibre optic backbone network from Wadduwa to Matara by Dialog Axiata PLC. The scope of work included pre-installation survey, installation of HDPE ducts and manholes/hand holes, reinstatement of trenching areas using asphalt concrete, testing of ducts, installation of cables and commissioning the network. The construction methods employ traditional open-cut method as well as HDD method to install ducts underground. Optical fibre cables were installed using cable blowing technology.

The main objective of the project was to provide better quality of services to the increasing customer base and to introduce next generation telecommunication features such as Multimedia Messaging Service (MMS), General Packet Radio Service (GPRS) and Edge technologies.

Aerial Optical Fibre Network Project



Client: Huawei Technologies Lanka Co. (Pvt) Ltd
Type: Design and Build Lump Sum Contract
Funded by: Dialog Axiata PLC
Project Value: Rs. 905 million
Period: 2011 - 2013

This project has been formulated by Dialog Axiata PLC to cater to the ever increasing demand for bandwidth and to achieve a "high reliable core network" through the expansion of the Dialog's existing optical fibre network.

Under the main contractor Huawei Technologies Lanka Co. (Pvt) Ltd., AEL has undertaken the work of supply, installation, testing and commissioning of optical fiber circuits on lump sum contract basis in six optical fibre route segments. At completion, the project will help Dialog Axiata PLC to enhance the future transmission capacity of their network.

Industry Prospects

Building of fibre optic infrastructure is essential for the future development of broadband sector in Sri Lanka. The leading telecommunication service providers such as Sri Lanka Telecom PLC and Dialog Axiata PLC have already established the fibre optic transmission network in the Colombo city and in other main cities such as Galle, Matara, Kurunagala and Kandy. These companies have planned to further expand the fibre optic network into other areas in the country including Northern and Eastern provinces of Sri Lanka.

AEL has played a major role as the construction partner in some of these projects. With the past experience gained through these projects, it is expected that AEL will have the potential to further engage as a construction partner in proposed projects.

6.2.1.8 Irrigation and Land Drainage

AEL has successfully completed many irrigation and land drainage related projects. The Company's expertise with regard to this sector includes construction of storm water drainage systems, flood control, construction of anicuts and tank bunds.

A snapshot of some of the irrigation and land drainage projects completed by AEL is given below:

Table 6-10: Irrigation and Land Drainage Projects Carried Out by AEL

Project	Client	Period
Greater Colombo Flood Control and Environment Improvement Project	China Geo Engineering Corporation/ Sri Lanka Land Reclamation & Development Corporation	2001 - 2004
Construction of Weerayadi Anicut, Ampara	Irrigation Department	2005 - 2007
Raising of Unnichchai Tank Bund, Batticaloa	NWSDB	2005 - 2009

A brief description of the projects carried out by AEL in the irrigation and land drainage sector is given below:

Greater Colombo Flood Control and Environment Improvement Project



Client: China Geo Engineering Corporation/
Sri Lanka Land Reclamation &
Development Corporation
Type: Employer Designed Unit Price
Contract
Funded by: JBIC
Project Value: Rs. 850 million
Period: 2001 - 2004

The main purpose of the Project was alleviation of flooding within the Greater Colombo by dredging the badly silted canal system, removal of obstructions to flow such as narrow bridges and other structures and creation of flood retention areas. The project identified flood affected areas of Greater Colombo, which included the five areas within the Colombo Municipal Council and two areas in the Dehiwala - Mount Lavinia Municipal Council.

The scope of work for AEL included improvements to existing drainage network, construction of concrete and earthen canals, protection of canal embankments using gabion structures, construction of two small scale bridges, construction of side drains and road work in areas of Dehiwala - Mount Lavinia Municipal Council. The completion of this project has contributed immensely in improving the living standards of people residing in the capital city.

Construction of Weerayadi Anicut, Ampara



Client: Irrigation Department
Type: Employer Designed Unit Price Contract

Funded by: Irrigation Department

Project Value: Rs. 81 million

Period: 2005 - 2007

The project was proposed since the existing anicut was unable to withstand its maximum capacity due to deteriorated structural conditions. The work carried out by AEL included the construction of a reinforced concrete anicut on a pile foundation providing 18 steel gates and gear arrangements.

The project at completion helped increase the area of irrigable lands whilst controlling flooding situations thus minimising flood damages.

Rehabilitation and Raising of Unnichchai Tank Bund, Batticaloa



Client: NWSDB
Type: Employer Designed Unit Price Contract

Funded by: ADB

Project Value: Rs. 550 million

Period: 2005 - 2009

The objective of this project was to augment the Unnachchai Tank in Batticaloa District to increase the capacity of the reservoir from 50 million m³ to 67 million m³. The scope of the project included raising of the spillways and existing radial gates, extending the right bank sluice barrel and replacing the existing foot bridge over the central spillway with a bridge that allows vehicle access to the right bank. The project was carried out as a partnership venture with China Geo Engineering Corporation of China.

The project was completed ahead of schedule in October 2009 in an accelerated manner to ensure the farming community received irrigation water during 2009/2010 Maha cultivation season. Special environmental considerations assisted in minimising the effect on the surrounding wild life conservations.

6.2.1.9 Dredging and Reclamation

AEL is involved in aquatic excavation of water beds to remove sediments, pollutants, shellfish and other materials by using an IHC Beaver 300C cutter suction dredger, which was sourced from IHC, Holland. The Company has a dredging capacity exceeding 50m³ of sand per hour to a maximum depth of 6m from the water surface with a discharging range of 1km from the point of dredging.



AEL became the first private sector contractor to gain the competitive advantage of acquiring a cutter suction dredger. The Company has been involved in some of the complex and challenging development projects in the realms of dredging and related activities. The Company possesses latest machinery, technologies and a competent, skilled and committed staff with experience in dredging and reclamation activities.

BUSINESS OPERATIONS OF ACCESS ENGINEERING GROUP

A snapshot of some of the dredging and reclamation projects completed by AEL is given below:

Table 6-11: Dredging and Reclamation Projects Carried Out by AEL		
Project	Client	Period
Improvements to Dehiwala Canal Sea Outfall and Wellawatta Groyne	Sri Lanka Land Reclamation & Development Corporation	2001 – 2002
Dredging Improvements of Sea Outfalls in the Lunawa Lagoon	Ministry of Fisheries and Aquatic Resources	2006 – 2008
Dredging of the Dutch Canal	Sri Lanka Land Reclamation & Development Corporation	2010 – 2011

A brief description of the projects carried out by AEL in the dredging and reclamation sector is given below:

Improvements to Dehiwala Canal Sea Outfall and Wellawatta Groyne	
	<p>The scope of work of AEL included the rehabilitation work at Dehiwala canal sea outfall and Wellawatta groyne along with road side drains. This facilitates draining of storm water collected at junctions to the main canal systems thus controlling the flooding in the area.</p> <p>This project provides a major contribution to the disaster management efforts of the country.</p>
<p>Client: Sri Lanka Land Reclamation and Development Corporation</p> <p>Project Value: Rs. 90 million</p> <p>Period: 2001 – 2002</p>	
Lunawa Lagoon Dredging Improvements	
	<p>The objective of this project was to carry out dredging of the material deposited on the lagoon bed and improving the sea outfall. Approximately 180000m³ of sand and silt was dredged out under this project.</p> <p>The main work carried out by AEL included rock blasting, removal, construction of concrete markers and installation of water level monitoring device to indicate flooding levels of the area. This project assisted in environment protection and improvement of quality of life of the inhabitants.</p>
<p>Client: Ministry of Fisheries and Aquatic Resources</p> <p>Type: Employer Designed Unit Price Contract</p> <p>Funded By: ADB</p> <p>Project Value: Rs. 104 million</p> <p>Period: 2006 – 2008</p>	

Dredging of the Dutch Canal



Client: Ministry of Fisheries and Aquatic Resources

Type: Employer Designed Unit Price Contract

Funded By: Government of China

Project Value: Rs. 36 million

Period: 2010 - 2011

This project was initiated as a part of Katunayaka Expressway project to mitigate the risk of flooding of lower level land due to expressway construction. AEL was entrusted to carry out the re-channelling works in a part of Old Dutch Canal at Muthurajawela along the Colombo - Katunayake Expressway.

AEL's scope of work included removal of top layer, which consisted of trees and bushes, dredging of the canal, removal of debris along the canal bank and the removal of the excavated disposal as well as connecting all the outlets and culverts along the length to the canal in order to facilitate the flow of storm water directly in to the Dutch Canal.

6.2.1.10 Environment and Waste Management

Incineration is a key process in the treatment of hazardous wastes. AEL has completed the construction of civil work and installation of the incinerator at the Bandaranayake International Airport. This was introduced to facilitate the waste management requisite of the airport expansion project. AEL has demonstrated the capability in handling environment and waste management related projects by successful completion of this project.

Installation of Incinerator



Client: Air Port and Aviation Services (Sri Lanka) Limited

Type: Design and Build Lump Sum Contract

Project Value: Rs. 240 million

Period: 2007 - 2008

The project was implemented by Airport and Aviation Services (Sri Lanka) at Bandaranayake International Airport and it is the first solid waste management project in Sri Lanka where the process was based on the third generation combustion technology and has a capacity of 12 tons of waste per day.

The scope of work included site development and utility arrangements, design and construction of civil work, installation and commissioning of the incinerator which required civil, electrical and mechanical inputs. Work was carried out in collaboration with an Australian incinerator manufacturer.

6.2.1.11 Investment Projects

AEL has been able to secure the first PPP, BOT type water project ever to be implemented in Sri Lanka. This was in line with the strategic plan of the Company for 2011 where they intended to enter into PPP projects in the areas of water, water management, electricity generation and other related infrastructure developments in line with the national policy.

Operation of Additional Water and Wastewater Treatment Plants at Seethawaka Export Processing Zone, Avissawella



Client: BOI

Contract Type: Design and Build BOT
Contract through PPP

Financed by: AEL and Salcon Engineering
Berhad of Malaysia

Project Value: 5.3 million USD

Period: 2014 - 2034

The project is implemented by the BOI of Sri Lanka on a PPP basis. This is the first PPP, BOT type water project ever to be implemented in Sri Lanka.

The project will be developed as a design, build, finance, operate, maintain and transfer concept to abstract, treat and supply 4000m³/day of treated water to industrial enterprises at Seethawaka Export Processing Zone and treat the wastewater generated to allowable limits before discharging to the discharge point. The work under the project generally comprises of design, supply, delivery, construction, installation, testing, commissioning, operation and maintenance of civil, mechanical, electrical and instrumentation system.

The design and construction works are to be completed within two years and the plants will be operated for a period of 20 years by AEL (lead partner) and Salcon Engineering Berhad of Malaysia (partner).

6.2.2 Operational Model of AEL

6.2.2.1 Procuring of Business

During its short span in existence, as mentioned earlier, AEL has been able to procure and develop a significant amount of infrastructure related civil engineering projects in Sri Lanka in diversified sectors either on behalf of GoSL or together with third party developers. Procuring of business by AEL in relation to construction, improvements and completion of infrastructure projects directly sourced by the GoSL takes place through processes of competitive tendering or unsolicited proposals as adopted by the respective authorities. Depending on the scope of construction, specialised nature of the project, stipulated timeframe and project funding, AEL would participate in aforesaid processes either individually or jointly with internationally reputed construction companies specialised in the respective fields of construction.

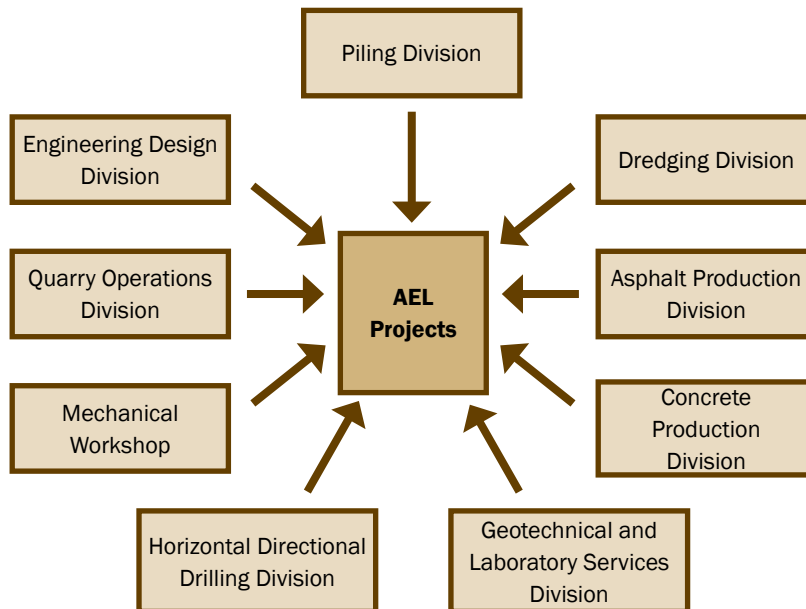
In addition to the above method of procuring business, AEL works with third party developers who have already secured infrastructure development projects from the GoSL or authorities, in the capacity as JV partners. In most instances these third parties involved are leading foreign contractors/developers who have the expertise and experience in their respective fields.

Over the years, AEL through JVs and strategic alliances has been able to develop a strong relationship with leading foreign contractors/developers who have carried out infrastructure projects in Sri Lanka. In some instances, AEL has been responsible for introducing these parties to Sri Lanka, and hence has a continued relationship and a sound understanding with regard to the working arrangements, which would enable the Company to secure business with these parties on a preferential basis.

Participation of AEL in most of the mega road developments, bridge constructions, flyover construction, water supply and port development projects undertaken in the recent past has been through JVs, mainly collaborating with leading contractors from China, Malaysia, the UK and etc. These JVs have given the opportunity for AEL to demonstrate its capabilities and reliability as a JV partner in executing some complex projects. The expertise gained through the working relationships with these JV partners would enable AEL to procure construction work of major infrastructure projects in the future and be a formidable force in the civil engineering space in Sri Lanka.

6.2.2.2 Service Divisions

All the civil construction activities are executed via the respective project offices through the following inter-related service divisions of AEL.



Engineering Design Division



Engineering Design Division was established to cater to the in-house design requirements of AEL. The division is capable of handling many types of civil and structural designs, utilising the most advanced and modern design software for structural and foundation analysis and advanced drafting software to produce engineering drawings. All the designs are carried out according to accepted design codes, standards and practices.

Engineering Design Division has been engaged in delivering following services:

- Design of highways, roads, bridges and flyovers
- Design of concrete and steel buildings including various types of foundations
- Design of water retaining structures, elevated water towers and waste water treatment systems
- Design of harbour and marine structures such as breakwaters, quay walls, slipways and revetments
- Design of soft ground improvement systems
- Design of various type of slope protection systems such as gabions, renomatress and terramesh systems, Mechanically Stabilised Earth Walls (MSEW) and reinforce concrete walls

Engineering team of the division encompasses chartered engineers, chartered architects and engineers. The team is reinforced by an experienced advisory consultant in the field of buildings and bridges.

The design team is supported by a group of highly trained and skilled draft persons who are capable of providing excellent documentation and drawings using modern drafting software. Furthermore, the division is equipped with a state of the art drawing office with modern amenities such as advanced plotters and printers that are capable of printing any type of drawing document.

Geotechnical and Laboratory Services Division



This division was established to provide technical assistance in quality control and quality assurance requirements of the projects being implemented by AEL. From its modest beginning, this division has grown and diversified its work by expanding its operations exponentially. Recent investments made in acquiring laboratory equipment and new technology such as ground penetration radar and Hydrogen detection probes have enabled the division to carry out investigations more accurately with minimum disturbance to the surrounding structures and the environment.

Currently, the operations of the division include but not limited to geotechnical investigations for deep/shallow foundations, field investigations for highways and roads (Dynamic Cone Penetrometer testing, etc), traffic surveys, topographical and contour surveys, hydrological studies, concrete testing, field testing for earth and road work, testing of aggregates and sand, laboratory tests for soil and testing of Bituminous and Asphalt.

The establishment and enhancement of in-house testing and investigations capacity has enabled AEL to do testing more frequently, economically and reliably. Laboratories and investigation units of AEL are able to handle multiple tasks at any given time reducing/minimising delays that might have occurred to projects due to delayed testing.

Horizontal Directional Drilling Division



Horizontal Directional Drilling (HDD) is a technique, which employs a trenchless method to install pipes, ducts or cables underground. This trenchless method becomes very versatile during installation of underground utilities along the roads in built up areas since disturbance to traffic is very minimal. With the acquisition of two HDD machines recently, AEL's capacity was increased to three machines and the Company has so far installed underground ducts of around 37km within Colombo City and in built up areas along Galle Road under optical fibre network projects of Dialog Axiata PLC.

The division is also engaged in fibre optic cable installation using cable jetting. Fibre optic cable installation by cable jetting is the process of installing a cable in a duct by pushing the cable into the same whilst blowing air through the duct. This is made possible with the use of cable jet machine and compressors with moist separators ensuring minimum tension to the cables and enhancing productivity. The division has been successful in installing and reaching an average distance of approximately 4km of optical fibre cables per day. The HDD division of AEL employs experienced professionals which include technical engineers who have gained expertise through overseas training. This has facilitated the division to provide high quality services to its clients through successful completion of projects within stipulated time frames.

Mechanical Workshop



Over the last few years Mechanical Workshop has turned into one of the most crucial operations within the organisation by handling the operation and maintenance of all the heavy machinery, equipment and the fleet of vehicles owned by AEL.

The management of this division was committed to expanding the operations of the workshop beyond the supply of support services to the existing machinery and vehicles. With ambitious forward planning and innovative out of the

box thinking approach, this division has expanded its operations in to various other ventures.

Fabrication of various components using sheet metal with the acquisition of a new machine, customisation of machines and equipments to better suit the needs of individual projects, installation of mechanical equipment, designing and fabrication works, fulfilling different types of pile casing requirements of piling division, design and manufacturing washing plants for Double Bituminous Surface Treatment (DBST) material, manufacturing semi-automatic pipe benders for large size Iron pipes, fabricating and installation of fuel tanks and design and fabrication of water bowsers are among some of the other works undertaken by the Mechanical Workshop.

Asphalt Production



As a company prioritising the sustainability of operations, AEL has invested in establishing four asphalt mixing plants mainly as a support service to their ongoing road projects. These plants also supply asphalt to outside customers.

The four plants are located in Kotadeniyawa, Jaffna Muhamale, Thalawa and Kanthale with the plant capacities being 96tph (tons per hour) for the Kotadeniyawa plant and 120tph for balance three plants.

The asphalt plants are currently operating at their optimum capacities catering to the asphalt requirements of the on-going road development projects undertaken by AEL as well as the demand from outside customers.

Quarry Operations



AEL is operating metal quarries in various parts of the country at locations within closer proximity to the ongoing construction projects undertaken by the Company and/or asphalt plants of the Company.

Some of the major metal quarries being operated by AEL are located at Thalawa, Vavuniya, and Kabithigollawa. Within the last year, two new crusher plants of capacity 50tph and 150tph were added to enhance the existing quarry operations in Anuradhapura area.

These operations provide the required raw material for road projects and aggregate required for the production of asphalt and ready-mix concrete as well.

Concrete Production



AEL currently operates five concrete batching plants with the main objective of supplying concrete required for the construction projects carried out by the Company. In addition, ready-mix concrete is supplied to outside customers as well. The range of services provided by the plants varies from mix design to special finishes to supply of different types of ready-mix concrete.

The latest addition to the fleet is the plant established at Kaduwela targeting the low income housing project with five 12 storeyed blocks at Henamulla and external customers.

New plant has a capacity of 60m³/hour. Rest of the plants are located at Kelaniya, Mattala International Airport Project, Ambalantota Salinity Barrier Project and Jaffna with installed capacities ranging from 30m³/hour to 60m³/hour.

Activities related to piling division and dredging division have been discussed under Section 6.2.1.6 and Section 6.2.1.9 respectively.

6.2.2.3 Operational Strategies and Policies

AEL has been focusing and applying the following operational strategies and policies in a bid to attain an optimum utilisation of the resources of the Company.

Value Engineering Concept

AEL considers the concept of value engineering as the backbone of its business operation of providing total construction solutions to its clientele in an appropriate and economical manner. Keeping in line with its vision, AEL has been persistently investing in innovative technology in order for its systems and processes to ensure proper execution of projects in an efficient and effective manner.

The key value engineering techniques/devices used by AEL in its infrastructure projects are as follows:

- HDD Technology
- Prefabricated Steel Flyovers
- Cable Air Blowing Techniques
- MSEW
- Cutter Suction Dredger
- Incinerator with Third Generation Combustion Technology
- Slope Protection and Bridge Pier Construction with Gabions
- Doubly Curved Box Girder Bridge Design
- Installation of Guard Rails using Post Driving Machines
- Use of De-Sander in Piling
- Controlled Low Strength Material for Narrow Trench Backfilling Work in Road Works
- Ground Penetrating Radar to Detect Underground Utilities and Artefacts
- Compaction Testing with Nuclear Denso Meter
- Hydrogen Leak Detection Method for Testing of Pipes and Ducts soon after Installation

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- In 2009, AEL was named the best 'Tech-Savy' company, first runner-up at the National Business Excellence Awards for acquiring high impact knowledge through direct investments and other wise.



- AEL was able to demonstrate its excellence at the National Business Excellence Awards 2011 once again, by winning the award for 'Best Knowledge Integrator' in view of consistently absorbing new knowledge and technology to create value at every level of its business.



- AEL also received the runner-up award in 'Construction Sector' at National Business Excellence Awards 2011 in view of the excellent contributions by the Company to the construction sector.



Details of accolades and awards won by AEL are given in Section 6.2.7 of this Prospectus.

Quality Policy

The quality policy of AEL focuses on facilitating high quality civil construction services with effective, efficient and innovative solutions. The Company adheres to stringent measures to ensure effective quality control including creation of quality standards, their implementation and employee training.

The utmost consideration of the Company to its customers, staff, principals, subcontractors, suppliers as well as the society is reflected through the continuous upgrade to its quality management system whilst adhering to the ISO 9001:2008 QMS and other applicable regulatory requirements by each of the service divisions of AEL through cost effective, profitable, safe and sound environmental friendly operations.

Health and Safety Policy

As a Company operating in the construction and infrastructure development arena, AEL provides and maintains a high standard of health and safety for all its employees and general public who may be affected by the operation, in accordance with the applicable health and safety regulations and safety manual of the Company.

Health and safety training has been provided to create awareness, whilst sharing information, supervision and maintaining preparedness to meet health and safety emergencies are some of the policy initiatives taken to ensure a safe and healthy working environment at all project offices and sites.

Green Engineering and Environmental Policy

AEL recognises the significance of making the environment a priority in carrying out its business activities whilst discharging its responsibility to customers, employees and the general public in order to minimise environmental impacts. The Company has adopted a philosophy of “Green Engineering” which requires every level of the Company to adopt and implement an eco friendly concept in all processes, systems, standards and practices used in its construction work.

The environmental policy of AEL focuses on:

- Ensuring compliance with all applicable legal and other requirements, which relate to its environmental aspects
- Promoting environmental awareness and commitment to the policy amongst all employees and stakeholders through training and communications to encourage suppliers and subcontractors to apply sound environmental principles
- Avoiding the wastage of materials, water and energy by paying careful attention to their use
- Preventing pollution and minimising environmental disturbances from the activities carried out by the Company
- Applying continual improvement by reviewing the environmental aspects related to activities by setting appropriate targets and objectives for improving performance

AEL is a pioneer engineering company in Sri Lanka that obtained ISO 14001 certification, which included adherence to a stringent and comprehensive analysis of all its systems and procedures.

AEL's commitment towards achieving the accreditation is as follows:

- Integration of environment management and business operations
- Introduction of EMS
- Formulation of a sustainable environmental plan
- Establishment of a steering committee
- Conceptualisation and communication of the environmental policy and goals
- Organisation of training and development for the team on environmental issues
- Formulation of an audit team for monitoring of environmental related activities, taking necessary corrective and preventive actions to minimise environmental pollution and carryout requisite gap analysis
- Inspection of work sites with assistance from the Industrial Technology Institute and external consultants
- Conducting environmental reviews, workshops and gap studies

6.2.3 Core Competences of AEL

Experienced Management Team and Qualified Employees

The Company has an experienced corporate management team who has extensive expertise in their respective domains. The corporate management team of AEL is committed to attain sustained value creation for its stakeholders through effective structures and processes within the Company. The experience and professionalism within the team has been the catalyst in integrating the core competencies into strategic partnerships which enables AEL to capitalise future market opportunities.

In addition to the management team, AEL possesses a qualified and trained workforce who has mastered the operations in respective service divisions. This skilled resource of the Company possesses the requisite expertise and experience in the use and handling of modern construction equipment and machinery. Skill sets of employees provide the Company the flexibility to adapt to the needs of its clients and the technical specifications of the various projects undertaken by AEL.

Modern and Advanced Technology

A key success factor that has driven AEL to procure a successful growth over the years is its technical competency and incessant innovativeness in the infrastructure development field. The Company is known to be the foremost to initiate and utilise some of the advanced, modern and comprehensive systems and equipment in the civil construction sector that has strengthened the value engineering capabilities of the Company through shorter construction periods, cost efficiency, increased productivity and enhanced operational capabilities whilst delivering a better value for its clientele.

Strong Research and Development Focus

The integrated service divisions of AEL endeavour to continuously adapt and respond to the new inventions and standards in civil construction sector. The Company is constantly working with international contractors and consultants to gain knowledge in value engineering and use of more cost efficient techniques in carrying out construction related activities.

Strategic/JV Partnerships

AEL has a sound track record of partnering with well-known construction companies in the world to undertake large scale infrastructure projects in the country. These strong and long standing partnerships have assisted the Company to gain access to the construction work of large projects, acquire and share project management expertise, convenient and speedy arrangement of funding and gain technical and technological know-how in implementing projects. As most of the international JV partners participate with their own funding, the execution of projects takes place without any setback which has facilitated the Company to complete the projects in advance or in accordance with the stipulated time frames.

Diverse Domains of Business Operations

AEL has established its presence in ten areas of the civil construction sector as mentioned in Section 6.2. The variety of projects in each sector has enabled the Company to keep its construction business diversified and hence reduce its dependence on any one sector or a particular type of project related work.

Strong Brand Name and Proven Track Record

AEL possesses an entrenched reputation in the civil construction sector of the country for its sound operating history, industry knowledge, experience, excellent project execution and customer service. The Company has a proven track record of efficient operations as amply demonstrated by the successful accomplishment of numerous infrastructure projects in various sectors. AEL has established itself as a preferred contractor for a number of local and major international clients, as manifested by its repeat business. Further, the Company is accredited as a C-1, P-1 and EM-1 contractor in major disciplines of civil construction by ICTAD, which has assisted the Company to participate in large scale infrastructure projects and provide successful deliverables to its clients.

Advanced Quality Management Systems and Quality Assurances

The Company is committed to ensure high quality in deliverables to its clientele. In attaining the requisite quality, it endeavours to maintain an experienced human resource base and the latest construction equipment portfolio in its operations. Work quality of AEL is in accordance with ISO 9001:2008 QMS and ISO 14001:2004 EMS standards, where quality control procedures are strictly followed. The geotechnical and laboratory division of AEL is responsible for ensuring the quality assurance and quality control during each phase of construction projects.

6.2.4 Human Resource (HR)

The human resource management function of AEL is decentralised with a manager functioning at head office whilst a dedicated HR manager functions at each of the project offices. The human resource policy of the Company is built with a view of recruiting the right person for the right job, equipping the individual with the appropriate tools and skills for optimum performance whilst rewarding and recognising their excellence.

All personnel recruited by AEL are given a proper induction, which explicate the code of ethics and working standards of the Company. A high level of loyalty and integrity are considered to be of prime importance in conducting business activities and are strongly embedded into the corporate culture of AEL.

Performance evaluation of staff is carried out through periodic review and annual appraisals which gives a comprehensive feedback on their performance, matched against target and real output. AEL has a well established reward structure to recognise the achievements of its staff who portray excellence during their employment and execution of skills.

AEL places a high importance in training the staff which requires development of skills and competences that have been the springboard in enhancing performance. The training calendar is designed annually by the HR division, chartered using the training and development requirements of each division and matched against the projects in hand and future projects envisaged, with the skills and knowledge required for optimum performance. In addition, team members are given the opportunity to actively participate in relevant external seminars, workshops and training programmes both local and overseas to whet their respective skills.

Being a knowledge based entity, AEL continuously strives to contribute to creating a knowledge gaining culture by encouraging team members to pursue higher studies and professional qualifications, which the Company sponsors, as it adds value to the pool of knowledge available within the Company for it to draw upon.

AEL periodically reviews staff welfare in order to uplift the quality of work life of its human resource. Life insurance covers, comprehensive medical covers and annual trips are some of the welfare facilities available to the employees and their families.

As at December 31, 2011, the total staff strength of AEL amounted to 2526 employees under the following categorisation.

Staff Category	Number of Employees
Management and Professional*	146
Operational	568
Technical	406
Skilled and Unskilled Workforce	1406
	2526

* Management and professional staff includes 14 chartered engineers, 94 engineers, 3 chartered accountants, 2 chartered management accountants and 33 other degree holders.

The employees of the Company are not members of any labour union and hence, the Company has not entered into any agreements with any labour union.

6.2.5 Corporate Social Responsibility (CSR)

Responsibility and commitment towards community remains an integral feature within the CSR framework of AEL with primary importance given to building common infrastructure facilities to ensure better community living and lifestyle enhancement. Some of the successfully completed CSR programmes of AEL include the construction of classroom buildings, halls and other facilities for rural public schools, the construction of buildings and refurbishment work in public hospitals and common public play grounds and facilities.

AEL has also contributed towards disaster relief during times of emergency, one such instance being where the Company provided temporary emergency bridges to access the affected areas during the devastating experience of the tsunami in 2004. AEL has also contributed in the construction of houses for families affected by the tsunami.

Whilst specific public welfare programmes are identified annually based on their needs, its ongoing commitment to preserve and conserve the environment includes a sustainable tree planting programme at work areas, where it has already planted over 5000 trees island-wide to date. In addition, it engages in providing training to engineering students, also as a part of its CSR activities.

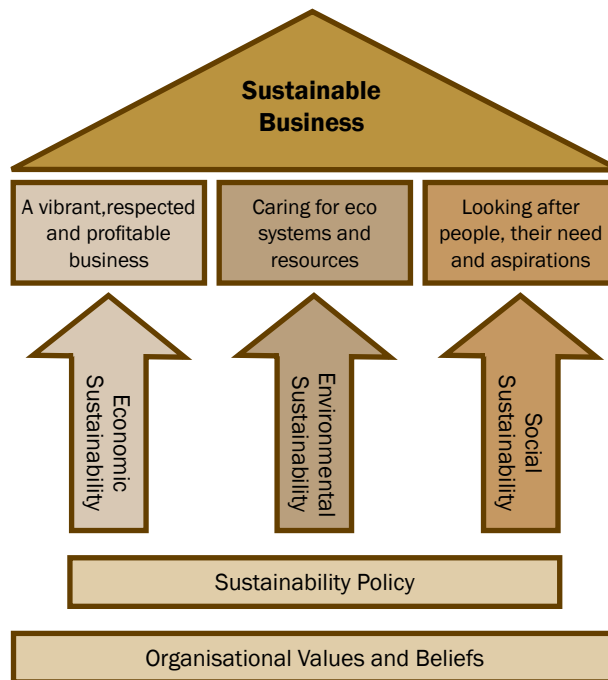
6.2.6 Sustainable Reporting

Having a wider and strategic perspective on the impact of the Company's operations on the economy, environment and society has enabled AEL to call itself a sustainable business. AEL has established a strong business case for sustainability by identifying the key sustainability issues and how to deal with them as part of the Company's strategy and performance management system.

The Company has a well established and written sustainability policy that has been communicated to all project offices and sites spread island-wide. In order to reach the vision of being a sustainable business, AEL:

- Is accountable for its impact on the economy, the environment and society and its decisions and actions that lead to such impacts
- Implements practices that promote economic security, environmental stewardship and social betterment and strives for continuous improvement in these areas
- Behaves ethically based on the values of honesty, equity and integrity
- Respects, considers and responds to the interests of its stakeholders
- Respects international norms of behavior, while abiding by the rule of legislative and regulatory requirements
- Respects human rights and recognises both their importance and universality
- Raises awareness of its employees on sustainability issues while soliciting their full corporation in all sustainability initiatives
- Encourages its suppliers and subcontractors into the process of sustainable business by auditing and development
- Strives to be a source of knowledge for external stakeholders on sustainability issues
- Establishes and constantly monitors quantifiable objectives for its sustainable performance
- Makes available the tools and resources required to make it a reality, and supports each employee as they live this vision.

The sustainability efforts of AEL are organised into a sustainability framework which incorporates organisational values and beliefs, sustainability policy, sustainability objectives and sustainable business as shown overleaf.



AEL prepares a sustainability report covering five major sections namely economic contribution, the environment, employee relations, community relations and product responsibility adhering to the reporting requirements of Global Reporting Initiative (G3) guidelines. The report maintains the basic principles of balance, comparability, accuracy, timeliness, clarity and reliability.

6.2.7 Accolades and Awards

The relentless endeavour of AEL has been recognised both locally as well as internationally by accomplishing many rewards for the commitment towards consistent innovative and value added engineering solutions, quality, safe and sustainable construction.

Year 2008



- Awarded First Runner-up in ‘Large Business Category’ at National Business Excellence Awards
- Awarded First Runner-up in ‘Construction Sector’ at National Business Excellence Awards
- International Star Award for Quality - Gold Award

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Year 2009



- Best 'Tech-Savvy' Company, First Runner-up at National Business Excellence Awards
- First Runner-up in 'Construction Sector' at National Business Excellence Awards

Year 2010



- Winner 'Best Knowledge Integrator' at National Business Excellence Awards
- First Runner up in 'Construction Sector' at National Business Excellence Award



National ICTAD Award for 'Construction Performance - Telecommunication Sector'



National ICTAD Award for 'Innovative Techniques in Construction'



National ICTAD Award for 'Construction Performance - Bridge Sector'



National ICTAD Award for 'Construction Performance - Irrigation Sector'

Year 2010



National ICTAD Award for 'Construction Performance - Harbour Sector'

Year 2011



- Winner 'Best Knowledge Integrator' at National Business Excellence Awards
- Runner up in 'Construction Sector' at National Business Excellence Awards



Merit Award for 'Extra Large' Category at National Business Excellence Awards



Golden Award for 'Quality and Business Prestige' from Otherways International Research and Consultants at Berlin, Germany

Year 2011



National ICTAD Award for 'Construction Performance – Civil Engineering Sector' for the Construction of Bridge Across Ma Oya on Pannala - Maningamuwa - Mellawagedara Road



National ICTAD Award for 'Construction Performance – Civil Engineering Sector' for the Construction of Nugegoda Flyover



National ICTAD Award for 'Construction Performance – Civil Engineering Sector' for the Construction of Sangupidy Flyover

Year 2012



Awarded the 'Gold' status with the rank of number nine (9) in the Corporate Accountability Index conducted by Sting Consultants and published by Lanka Monthly Digest (LMD)

6.3 Access Realities (Private) Limited

ARL, incorporated on March 11, 1994, owns the Access Towers which contributes to a major portion of its revenue through rental income. Access Towers was designed by AMC Architects, a famous Singaporean firm, which has expertise in designing many landmark buildings in Singapore and overseas, renowned for adopting international standards and practices in its designs.

Access Towers, well known for its architectural excellence, is located at Union Place in the business district of Colombo. It is in an ideal location for office/retail space due to its close proximity to landmark buildings such as Empire Towers, Dawson Grand and JAIC Hilton Residencies. Access Towers is a 12 storeyed complex with two basements and built on 94 perches on a land over one acre.



The rental income of ARL is generated through several well established tenants. The agreements with the tenants range from 1-10 years. These tenants include

Access group companies such as Access Telecom, Access International, AEL as well as other renowned corporates including banks, restaurants, educational institutions and state institutions.

Some of the facilities of the tower include 140 parking bays at three levels along with a common parking facility for 100 vehicles, two exclusive 24 passenger elevators with 24 hour service elevator, advanced digital communication services and energy efficient building management system.

Access Towers is decorated with double glazed tempered glass curtain wall, Italian granite wall cladding and outer pavements paved with Italian cobble stones and granite. Lobby area has been artistically cladded with Italian marble and tempered glass auto sliding at the entrance doors. Italian tiles have been used in office floors and lobby areas. Stairway and balconies garlanded with stainless steel railings elaborate the excellence of Access Towers.



6.4 Future Direction of AEL Group

(i) Infrastructure Projects

As mentioned in Section 6.2 of this Prospectus, with the primary focus of the GoSL being towards the development of infrastructure in the country, a significant growth potential for the players in the construction sector is envisaged. AEL being one of the essential players in the construction sector, is expected to benefit significantly from this growth in the industry due to its vast expertise and capability in handling a multitude of complex projects as demonstrated in the past.

AEL intends to consolidate its premier position in the industry and continue to aggressively seek growth opportunities in the short to medium term in sectors in which it has a proven capability such as roads and bridge construction, ports and related work, water management and civil construction of buildings. In order to avail from impending opportunities in the sector, AEL expects to further invest in building capacity within the Company in the short to medium term, mainly through procuring of requisite plant and machinery required in the construction industry. With a strong balance sheet in place, the Company is confident that, it has the potential to raise requisite financing to proceed with expansion drive of its existing business operations.

(ii) Property Development

The Company intends to further capitalise on the up turn of the property development market of the country in medium to long term by setting up township, mixed development and residential projects in Colombo and adjacent metropolitan areas. The construction and development of such projects are expected to be lucrative and is buoyed by the significant demand created by the rapid pace of urbanisation and changes in the lifestyle of the community. Accordingly, AEL expects to develop these mega projects with all modern amenities required to cater to luxurious living conditions of the upper and middle class segments of the market. The Company is currently looking for appropriate plots of land for this purpose.

It is expected that the above measures would assist AEL to achieve the dual objectives of consolidating its core business segment whilst enabling diversification into sub-sectors where the Company could harness its expertise and core competencies.

(iii) Public – Private Partnerships

AEL would further boost its commitment towards the national economy in the future by engaging in community development projects in collaboration with the GoSL through PPP. The Company has already identified water management and electricity generation as potential areas to initiate infrastructure development projects via PPP. These PPP would enable AEL to generate long term business with relative certainty and security, whilst benefiting through its technical, managerial and financial capabilities coupled with innovation. The Company also intends to use its capacity and expertise in specialising in a particular sector/s and in turn leverage the same to create additional business opportunities through enhanced collaboration and synergies of the partnership. As the demand for infrastructure facilities is expected to grow in the near term with the development of the economy and given the benefits and the success of the existing PPP in operation, it can be anticipated that AEL would be in an advantageous position to capitalise on the available business opportunities and further enhance the profitability of the group.

(iv) Strategic Investments

With the experience gained through the sound organic growth over a decade of the business operation, AEL group intends to leverage its core competencies and achieve future strategies through inorganic means by targeting lucrative strategic investment opportunities available in the market place. These investments would be pursued through mergers and acquisitions in spheres where the Company can benefit, through upgrading the group resource base and reinforcing its competitive advantage with enhanced synergies, economies of scale and access to new markets.

(v) Investment in Renewable Energy

Electricity generation based on non-renewable sources of energy, particularly fossil fuels, have led to environmental degradation giving rise to phenomena such as global warming, pollution of water and the atmosphere and hazardous consequences to the health of human beings. With the increasing significance placed on the conservation of the environment and ensuring future generations would have access to clean air and water, there has been much emphasis on the need to explore and harness the benefits of renewable sources of energy. In light of the above, AEL intends to exploit the numerous opportunities available for the generation of renewable energy in Sri Lanka by making investments in projects to develop renewable sources of energy such as those based on hydro, biomass, dendro, geothermal and wind. Such investments would be made considering the prevailing opportunities and their returns generated. AEL also believes that this sector has enormous growth potential in light of the uncertainties caused by supply shocks due to global political instability and the rising prices of fossil fuels.

6.5 Assumptions on which the Future Plans of AEL Group are Based

- AEL expects the macroeconomic environment of the country to be favorable to its businesses. The Company expects GoSL as well as private sector investments in infrastructure development sector to grow at an increasing rate with the accelerated economic development of the country.
- AEL expects the demand for construction and property development sector to continue to grow in the future.
- AEL expects that the GoSL will continue to invest in infrastructure development projects through PPP.
- AEL expects that the GoSL will continue to encourage private sector participation in renewable energy related projects.
- AEL expects the current tax legislation applicable to its products/services to either remain unchanged or have no adverse change.

7.0 CORPORATE STRUCTURE

7.1 The Board of Directors of AEL

The Board of Directors of AEL endeavours to provide entrepreneurial leadership through effective formulation and execution of policies and procedures to attain the objectives of the Company. As at the date of the Prospectus, the Board of AEL comprises of ten (10) Directors out of which three (03) are Independent Non-Executive Directors, six (06) are Executive Directors and one (01) is a Non-Executive Director.

Table 7-1: Details of Board of Directors of AEL

Name	Address
Mr. Sumal Joseph Sanjiva Perera	23, Tickell Road, Colombo 08
Mr. Joseph Christopher Joshua	37/2, Pedris Road, Colombo 03
Mr. Ranjan John Suriyakumar Gomez	122/38, Bellanthara Road, Attidiya, Dehiwela
Mr. Dalpadoruge Anton Rohana Fernando	81/5, Isipathana Road, Colombo 05
Mr. Shevantha Harindra Sudharaka Mendis	32/2, School Lane, Nawala
Mr. Thiththalapitige Anton Gratian Fernando	30/12G, Huludagoda Lane, Mount Lavinia
Mr. Saumaya Dharshana Munasinghe	8/1, Gregory's Road, Colombo 07
Mr. Alexis Indrajit Lovell	36, Sarah Crescent, Templestowe, Victoria, Australia
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	18, Layards Road, Colombo 05
Mr. Niroshan Dakshina Gunaratne	45, Rupasiri Mawatha, Mirihana, Nugegoda

7.2 Profiles of the Board of Directors

Mr. Sumal Joseph Sanjiva Perera – Chairman/Chief Executive Officer (CEO)

Mr. Sumal Perera is the Founder Chairman of Access group of companies which was founded in 1989. He is also the Founder Chairman and a shareholder of AEL. He continues to be the Chairman of all companies coming within the Access group. He is also the Chairman of Sathosa Motors PLC, a public listed company, since 1998. He is a Fellow Member of the Chartered Institute of Management Accountants - UK (FCMA). It is under his vision and leadership that the Access group of companies within a relatively short period of two decades has grown to be a diversified and successful business enterprise.

Mr. Joseph Christopher Joshua – Executive Director

Mr. Christopher Joshua is one of the Founder Directors of Access group of companies. He was instrumental in heading some of the most successful business units within the Access group. Mr. Joshua is a Founder shareholder and was the Joint Managing Director/CEO of the Company for a considerable period of time. It was under his leadership that AEL achieved its growth over the last decade. He is also the Joint Managing Director of Access group of companies since 1997.

Mr. Ranjan John Suriyakumar Gomez – Non-Executive Director

Mr. Ranjan Gomez is also one of the Founder Directors of Access group of companies. He is presently the Joint Managing Director of the Access group and CEO of many business units within the Access group. Mr. Gomez is one of the Founder shareholders and was the Joint Managing Director of AEL for a considerable period of time.

Mr. Dalpadoruge Anton Rohana Fernando – Executive Director/Chief Operating Officer (COO)

Mr. Rohana Fernando joined the Access group in 1998 as an Engineer in the Engineering Division of Access International (Pvt) Ltd. He played an important role in enabling the division to be made into a separate business entity, under the name and style of AEL. Having held senior management positions in AEL, he was appointed to the Board in 2002. Then in 2007 he was appointed as the Director/COO of AEL. He is also a Director of Access International (Pvt) Ltd. He is a Corporate Member of Institution of Engineers, Sri Lanka (IESL) and has a BSc Degree in Civil Engineering from the University of Peradeniya.

Mr. Shevantha Harindra Sudharaka Mendis – Executive Director/Director - Business Development

Mr. Shevantha Mendis held many executive and management positions within the Access group and was part of the Engineering Division from its inception. When AEL was created, he became part of AEL and was appointed as a Director - Business Development in 2002. He is also a Director of Access International (Pvt) Ltd.

Mr. Thiththalapitige Anton Gratian Fernando – Executive Director/Director - Projects

Mr. Gratian Fernando joined Access International (Pvt) Ltd as the Manager - Marine Works in September 1997 and also functioned as a Project Manager of the same. Subsequently, he was promoted to Assistant General Manager at Access Holding (Pvt) Ltd in March 2003. He joined AEL in January 2004 and was appointed to the Board of AEL as the Director - Projects. Further, he has over ten years of service as a Commissioned Officer in the Sri Lanka Navy and holds a Bachelor of Arts Degree in Defence Studies from Sir John Kothalawala Defence University.

Mr. Saumaya Dharshana Munasinghe – Executive Director/Director – Business Development

Mr. Dharshana Munasinghe joined Access International (Pvt) Ltd as a Sales Executive of the Packaging Division in 1996 and was promoted to the position of Assistant Manager in 1999. In 2001, he assumed duties as Manager - Special Projects in Access International (Pvt) Ltd and was promoted as General Manager - Special Projects in 2004. He joined AEL in 2006, and was appointed to the Board of AEL as Director - Business Development. He is also a Director of Access International (Pvt) Ltd.

Mr. Alexis Indrajit Lovell – Independent Non-Executive Director

Mr. Alexis Lovell was appointed to the AEL Board in 2011. He was appointed to the Board of Union Bank of Colombo PLC in 2007 as a Non-Executive Director and was appointed as the Deputy Chairman in December 2010. He counts over thirty years of experience in Finance and Investment Banking. Mr. Lovell is a Chartered Management Accountant, UK and holds a Postgraduate Degree in Business Administration. He was awarded the MBE (Most Distinguished Order of the British Empire) by Her Majesty the Queen of England for his services to Investment Banking.

Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe – Independent Non-Executive Director

Professor Malik Ranasinghe was appointed to the AEL Board in 2011. He is a Senior Professor in Civil Engineering at the University of Moratuwa, a Chartered Engineer and International Professional Engineer, a Fellow of the Institution of Engineers, Sri Lanka and the National Academy of Sciences, Sri Lanka, and an Independent Non-Executive Director of Sampath Bank PLC, Hemas Power PLC and Textured Jersey Lanka PLC. Prof. Ranasinghe is the Immediate Past Vice-Chancellor of the University of Moratuwa.

He is a former Fellow of the National University of Singapore, and a former Non-Executive Director of the Colombo Stock Exchange and Lanka IOC PLC. Prof. Ranasinghe obtained his PhD in 1990 from the University of British Columbia, Vancouver, Canada in Civil Engineering Economics. His research focus is to combine applications in Engineering Economics and Environmental Economics with Project Management. He has published over 110 research publications, of which over 60 are international refereed publications. He has been honoured with the Sri Lanka Association for the Advancement of Science (SLAAS) General Research Committee Award for Outstanding Contribution to Sri Lankan Science and Trinity Prize for Engineering in recognition of the outstanding contribution made to his chosen profession.

Mr. Niroshan Dakshina Gunaratne – Independent Non-Executive Director

Mr. Niroshan Gunaratne was appointed to the AEL Board in 2011. Mr. Gunaratne also functions as the Finance Director of ASCOT Holdings PLC. He is an Associate Member of the Chartered Institute of Management Accountants - UK (ACMA). He has over eighteen years of experience in the field of finance and accounting and has held positions in MB Financial Services (Private) Ltd, a primary dealer appointed by the CBSL and Jewelknit, a subsidiary of Mast Industries - USA.

7.3 Other Directorships Held by the Board of Directors

Set out below are the other directorships held by the Directors of AEL.

Table 7-2: Other Directorships Held by Board of Directors of AEL	
Name of Director	Other Directorships Held
Mr. Sumal Joseph Sanjiva Perera	<p>Chairman</p> <p>Sathosa Motors PLC Access International (Pvt) Ltd Reprographics (Pvt) Ltd Access Agencies (Pvt) Ltd Access Realities (Pvt) Ltd Access Solar (Pvt) Ltd Access International Projects (Pvt) Ltd Access Projects (Pvt) Ltd Access Industrial Systems (Pvt) Ltd Access Natural Water (Pvt) Ltd Access Marketing (Pvt) Ltd Access Holdings (Pvt) Ltd Euro Metallic (Pvt) Ltd ATSL International (Pvt) Ltd Access Travels (Pvt) Ltd Access Properties (Pvt) Ltd Access Exports (Pvt) Ltd Access Netcard Systems (Pvt) Ltd Access Energy (Pvt) Ltd Access Energy Solution (Pvt) Ltd Access Lifestyle (Pvt) Ltd Access Telecom Technologies (Pvt) Ltd Access Realities Tower 2 (Pvt) Ltd Eco Friendly Power Developers (Pvt) Ltd EBuy (Pvt) Ltd Science Land Information Technology (Pvt) Ltd Access Consolidate (Pvt) Ltd Access Real State (Pvt) Ltd Forestree Investment (Pvt) Ltd</p>
Mr. Joseph Christopher Joshua	<p>Joint Managing Director</p> <p>Access International (Pvt) Ltd Access Realities (Pvt) Ltd Access Solar (Pvt) Ltd Access Natural Water (Pvt) Ltd Access Marketing (Pvt) Ltd Access Holdings (Pvt) Ltd ATSL International (Pvt) Ltd Access Travels (Pvt) Ltd Access Exports (Pvt) Ltd Access Netcard Systems (Pvt) Ltd Access Energy (Pvt) Ltd Access Energy Solution (Pvt) Ltd Access Telecom Technologies (Pvt) Ltd JCJ Holdings (Pvt) Ltd Access Realities Tower 2 (Pvt) Ltd Eco Friendly Power Developers (Pvt) Ltd EBuy (Pvt) Ltd</p>

Other Directorships Held by Board of Directors of AEL

Name of Director	Other Directorships Held
Mr. Joseph Christopher Joshua	Joint Managing Director Science Land Information Technology (Pvt) Ltd RS Property (Pvt) Ltd RMN Holding (Pvt) Ltd Access Consolidate (Pvt) Ltd Forestreet Investment (Pvt) Ltd
Mr. Ranjan John Suriyakumar Gomez	Joint Managing Director Access International (Pvt) Ltd Access Realities (Pvt) Ltd Access Solar (Pvt) Ltd Access Natural Water (Pvt) Ltd Access Marketing (Pvt) Ltd Access Holdings (Pvt) Ltd ATSL International (Pvt) Ltd Access Travels (Pvt) Ltd Access Exports (Pvt) Ltd Access Netcard Systems (Pvt) Ltd Access Energy (Pvt) Ltd Access Energy Solution (Pvt) Ltd Access Telecom Technologies (Pvt) Ltd Access Realities Tower 2 (Pvt) Ltd Eco Friendly Power Developers (Pvt) Ltd EBuy (Pvt) Ltd Science Land Information Technology (Pvt) Ltd RS Property (Pvt) Ltd SRRS Holdings (Pvt) Ltd Access Consolidate (Pvt) Ltd Forestreet Investment (Pvt) Ltd
Mr. Dalpadoruge Anton Rohana Fernando	Director Access International (Pvt) Ltd
Mr. Shevantha Harindra Sudharaka Mendis	Director Access International (Pvt) Ltd
Mr. Thiththalapitige Anton Gratian Fernando	None
Mr. Saumaya Dharshana Munasinghe	Director Access International (Pvt) Ltd
Mr. Alexis Indrajit Lovell	Deputy Chairman/Non-Executive Director Union Bank of Colombo PLC Director Associated Electrical Corporation Ltd Namal Asset Management Ltd The Finance and Guarantee Co. Ltd

Other Directorships Held by Board of Directors of AEL	
Name of Director	Other Directorships Held
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	Independent Non-Executive Director Hemas Power PLC Sampath Bank PLC Textured Jersey Lanka PLC
Mr. Niroshan Dakshina Gunaratne	Director ASCOT Holdings PLC MSH Packaging Industries Ltd ASCOT Development (Pvt) Ltd Prudent Investments (Pvt) Ltd L&A Quarries (Pvt) Ltd

7.4 Board of Directors of the Subsidiary Company

Board of Directors of ARL is tabulated below.

Table 7-3: Board of Directors of ARL	
Name	Designation
Mr. Sumal Joseph Sanjiva Perera	Chairman
Mr. Joseph Christopher Joshua	Joint Managing Director/CEO
Mr. Ranjan John Suriyakumar Gomez	Joint Managing Director
Mr. Thantulage Theophilus Bede Claude Fernando	Director
Mr. Brian Peter Obeysekara	Director
Mr. Suresh Dilhan Perera	Director
Mr. Don Dilshan Srilath Ferdinando	Director

7.5 Directors' Interest in Shares of AEL

7.5.1 Directors' Direct Shareholdings in the Company

The Directors' shareholdings in AEL as at January 10, 2012 are tabulated below.

Table 7-4: Directors' Shareholdings in AEL		
Name of Director	Number of Shares Held	Percentage of Total Shareholding (%)
Mr. Sumal Joseph Sanjiva Perera (Note)	250,300,320	25.54%
Mr. Joseph Christopher Joshua	100,000,000	10.20%
Mr. Ranjan John Suriyakumar Gomez	120,000,000	12.24%
Mr. Dalpadoruge Anton Rohana Fernando	24,000,000	2.45%
Mr. Shevantha Harindra Sudharaka Mendis	24,000,000	2.45%
Mr. Thiththalapitige Anton Gratian Fernando	6,400,000	0.65%
Mr. Saumaya Dharshana Munasinghe	24,000,000	2.45%
Mr. Alexis Indrajit Lovell	16,000,000	1.63%
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	-	-
Mr. Niroshan Dakshina Gunaratne	-	-

Note:

The three founder shareholders of AEL, namely, Mr. Sumal Joseph Sanjiva Perera, Mr. Joseph Christopher Joshua and Mr. Ranjan John Suriyakumar Gomez, agreed to gift out of their total shareholding, 120,000,000 Ordinary Voting Shares of AEL to employees including Executive Directors. Mr. Suresh Dilhan Perera who was an Executive Director at the time of gifting of such Shares (resigned subsequently from the Board) was a beneficiary for 2,000,000 Shares. Out of Mr. Sumal Joseph Sanjiva Perera's shareholding of 250,300,320 as at January 10, 2012, 300,320 Shares are to be gifted to employees. Apart from the 300,320 Shares in respect of which the gifting to employees is not completed, the balance 119,699,680 Shares were gifted on May 25, 2011 (80,400,000 Shares) and January 10, 2012 (39,299,680 Shares) respectively. The aforesaid 300,320 Shares held by Mr. Sumal Joseph Sanjiva Perera, are to be gifted to employees prior to the listing of the Shares of the Company on the CSE. Subsequent to the gifting of the balance 300,320 Shares to employees, Mr. Sumal Joseph Sanjiva Perera would hold 250,000,000 Shares (25.51%) of AEL.

7.5.2 Share Transactions by Directors of AEL

During the last 12 months period, founder shareholders of AEL, namely, Mr. Sumal Joseph Sanjiva Perera, Mr. Joseph Christopher Joshua and Mr. Ranjan John Suriyakumar Gomez gifted 289,699,664 Shares to Executive Directors (80,400,000 Shares), employees (39,299,680 Shares) and related parties (169,999,984 Shares) respectively.

Share transactions made by Directors during the one (01) year period preceding the date of the Prospectus are tabulated in Table 7-5.

Table 7-5: Share Transactions by Directors of AEL				
Name of Director	Date	Transaction	Number of Shares Issued/Received/ (Gifted)	Price per Share (Rs.)
Mr. Sumal Joseph Sanjiva Perera	March 21, 2011	Issue of Shares by way of capitalisation of reserves	89,999,996	10/-
	May 11, 2011	Issue of Shares by way of capitalisation of reserves	89,999,996	5/-
	May 25, 2011	Purchase of Shares from Mrs. Dona Rumali Shama Perera	8	5/-
	May 25, 2011	Gifting of Shares to Executive Directors*	(20,400,000)	-
	May 25, 2011	Gifting of Shares to related parties	(49,999,992)	-
	January 10, 2012	Gifting of Shares to employees	(39,299,680)	-
Mr. Joseph Christopher Joshua	March 21, 2011	Issue of Shares by way of capitalisation of reserves	49,999,998	10/-
	May 11, 2011	Issue of Shares by way of capitalisation of reserves	49,999,998	5/-
	May 25, 2011	Gifting of Shares to Executive Directors	(30,000,000)	-
	May 25, 2011	Gifting of Shares to related parties	(69,999,992)	-
Mr. Ranjan John Suriyakumar Gomez	March 21, 2011	Issue of Shares by way of capitalisation of reserves	49,999,998	10/-
	May 11, 2011	Issue of Shares by way of capitalisation of reserves	49,999,998	5/-
	May 25, 2011	Purchase of Shares from Mrs. Shanaz Gomez	8	5/-
	May 25, 2011	Gifting of Shares to Executive Directors	(30,000,000)	-
	May 25, 2011	Gifting of Shares to related parties	(50,000,000)	-

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Share Transactions by Directors of AEL				
Name of Director	Date	Transaction	Number of Shares Issued/Received/ (Gifted)	Price per Share (Rs.)
Mr. Dalpadoruge Anton Rohana Fernando	May 25, 2011	Receipt of gifted Shares	24,000,000	-
Mr. Shevantha Harindra Sudharaka Mendis	May 25, 2011	Receipt of gifted Shares	24,000,000	-
Mr. Thiththalapitige Anton Gratton Fernando	May 25, 2011	Receipt of gifted Shares	6,400,000	-
Mr. Saumaya Dharshana Munasinghe	May 25, 2011	Receipt of gifted Shares	24,000,000	-
Mr. Alexis Indrajit Lovell	August 02, 2011	Purchase of Shares from Mr. Ajita de Zoysa	14,000,000	25/-
	December 07, 2011	Purchase of Shares from Ms. Handunnethe Geetha Dangalla	2,000,000	25/-

* Mr. Suresh Dilhan Perera who was an Executive Director at the time of gifting of such Shares (resigned subsequently from the Board) was a beneficiary for 2,000,000 Shares.

Other than the aforementioned, there are no other Share transactions by the Directors of AEL within the one (01) year period preceding the date of the Prospectus.

7.6 Directors' Interest in Assets

During the past two (02) years preceding the date of this Prospectus, AEL has acquired shares of ARL from the following individuals who are Directors of AEL.

Table 7-6: Directors' Interest in Assets						
Name of Director (Transferor)	Name of Transferee	Date of Transfer	Number of Shares of ARL	Price per Share (Rs.)	Transaction Value (Rs.)	
Mr. Dalpadoruge Anton Rohana Fernando	AEL	March 01, 2010	1,000,000	40/-	40,000,000	
Mr. Shevantha Harindra Sudharaka Mendis	AEL	March 01, 2010	1,000,000	40/-	40,000,000	
Mr. Saumaya Dharshana Munasinghe	AEL	March 01, 2010	1,000,000	40/-	40,000,000	
Mr. Sumal Joseph Sanjiva Perera	AEL	January 05, 2011	5,231,988	40/-	209,279,520	
Mr. Ranjan John Suriyakumar Gomez	AEL	January 05, 2011	2,615,994	40/-	104,639,760	
Mr. Joseph Christopher Joshua	AEL	January 05, 2011	2,615,994	40/-	104,639,760	
Mr. Sumal Joseph Sanjiva Perera	AEL	March 01, 2011	6,752,518	40/-	270,100,720	

Directors' Interest in Assets					
Name of Director (Transferor)	Name of Transferee	Date of Transfer	Number of Shares of ARL	Price per Share (Rs.)	Transaction Value (Rs.)
Mr. Ranjan John Suriyakumar Gomez	AEL	March 1, 2011	3,376,259	40/-	135,050,360
Mr. Joseph Christopher Joshua	AEL	March 1, 2011	3,376,259	40/-	135,050,360

Other than those disclosed in Table 7-6, the Directors of AEL hold no interest either directly or indirectly in any other assets acquired, disposed, or leased by the Company during the past two (02) years preceding the date of this Prospectus. Further, it is not proposed that the Directors will hold any interest in assets to be acquired, disposed or leased by the Company in the two (02) years subsequent to the Issue.

7.7 Directors' Interest in Contracts

There are no contracts or arrangements in force as at the date of Initial Listing Application in which the Directors of AEL are materially interested in relation to the business of the Company.

Details pertaining to related party transactions are disclosed under Note 10 of the Interim Financial Statements presented in Section 15.4.

7.8 Directors' Emoluments

Aggregate emoluments paid in the form of salaries, bonuses and/or profit sharing payments to the Directors inclusive of Executive Directors during the FY 2010/11 amounted to Rs. 7,020,000/-. The Directors are expected to be remunerated in the form of salaries, bonuses and/or profit sharing payments during the FY 2011/12 to an approximate extent of Rs. 16,200,000/-.

In addition to the remuneration estimated above for the FY 2011/12, Executive Directors of AEL namely, Mr. Dalpadorange Anton Rohana Fernando, Mr. Shevantha Harindra Sudharaka Mendis, Mr. Thiththalapitige Anton Gratian Fernando and Mr. Saumaya Dharshana Munasinghe were gifted with 78,400,000 Ordinary Shares by Mr. Sumal Joseph Sanjiva Perera, Mr. Joseph Christopher Joshua and Mr. Ranjan John Suriyakumar Gomez who are the founder shareholders of AEL during the FY 2011/12.

No emoluments in the form of salaries, bonuses and/or profit sharing payments have been drawn or will be drawn from the Company by the CEO, Mr. Sumal Joseph Sanjiva Perera, Executive Director, Mr. Joseph Christopher Joshua and Non-Executive Director, Mr. Ranjan John Suriyakumar Gomez.

7.9 Statement – Board of Directors

No Director or a person nominated to become a Director of the Company has been involved in any of the following:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer; and
- Conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

7.10 Corporate Governance

Constructed on a philosophy of transparency, ethics, values, accountability and sincerity of action, AEL's corporate governance ethos work within a culture of performance that emphasises a framework of conformance and compliance. At AEL, corporate governance goes beyond the tenets of conformance and compliance into a milieu where business is grown and nurtured into a sustainable and equitable one, presenting all stakeholders with a future to grow. Maximising shareholder wealth on a sustainable basis while safeguarding the rights of multiple stakeholders are fundamentals which are permeated through all levels of management and staff, who in turn work on the trusses of truth, trust, principles and honesty to ensure that the end justifies the means and remain strategically aligned to the core principles of corporate governance practice.

AEL's governance and operating model facilitates efficient and timely decision making coupled with pragmatic resource allocations, which in turn are integrated into a transparent, accountable and ethical framework that are compliant not only with the laws of the country but also with self imposed codes of ethics, standards and regulations that position AEL on a platform of critical governance features to ensure a culture that goes beyond compliance. This is thus manifested in the composition of the corporate management team, division of powers and duties and the promotion of sound corporate ethics across the Company.

The Company's vision and mission remain firmly embedded in AEL's future journey with the Board of Directors and Executive Management providing the necessary stewardship to the AEL team and other stakeholders to achieve its objectives.

Evaluating and setting the direction of the Company's strategic initiatives, performance objectives and targets also remain entrenched within the leadership, in addition to strengthening the overarching Company principle of protecting the interests of all stakeholders and consolidation of business activities to ensure continuity and sustainability.

AEL comprises of a well balanced Board consisting of ten Directors out of which six are Executive Directors, three are Independent Non-Executive Directors and one is a Non-Executive Director thus meeting the corporate governance requirements of CSE Listing Rules. The well balanced Board in turn drives the Company to demonstrate more transparency and independent judgment in the decision making process. AEL also has an Audit, Remuneration and Strategic Planning Committee with clearly defined roles and responsibilities to strengthen its commitment on corporate governance.

AEL's Corporate Management Team is committed to achieving sustained value creation for the benefit of all stakeholders through adherence to a set of well-defined corporate governance principles, coupled with maintaining effective structures and processes within the Company. The team, which comprises of the CEO, COO, Board Members and Senior Management, meet at regular intervals to discuss the management of business activities.

7.10.1 Audit Committee

The Audit Committee of AEL is appointed by the Board of Directors and the present committee comprises of three (03) Independent Non-Executive Directors and one (01) Non-Executive Director of the Board.

Members of the Audit Committee are as follows;

Mr. Niroshan Dakshina Gunaratne (Chairman)	Independent Non-Executive Director
Mr. Alexis Indrajit Lovell	Independent Non-Executive Director
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	Independent Non-Executive Director
Mr. Ranjan John Suriyakumar Gomez	Non-Executive Director

The Audit Committee's authority, responsibilities and specific duties have been formalised through an audit committee charter. As such, responsibilities of the Audit Committee are;

- Overseeing of the preparation, presentation and adequacy of disclosures in the financial statements of the Company in accordance with Sri Lanka Accounting Standards;
- Overseeing of the Company's compliance with financial reporting requirements, information requirements of the Companies Act and other relevant financial related regulations and requirements;
- Overseeing the process to ensure that the Company's internal controls and risk management are adequate to meet the requirements of the Sri Lanka Auditing Standards;
- Assessing of the independence and performance of the Company's external auditors;
- Making recommendations to the Board pertaining to appointment, re-appointment, removal of external auditors and to approve remuneration and terms of engagement of the external auditors.

7.10.2 Remuneration Committee

The Remuneration Committee of AEL is appointed by the Board of Directors and the present committee comprises of two (02) Independent Non-Executive Directors and one (01) Non-Executive Director of the Board.

Members of the Remuneration Committee are as follows;

Mr. Ranjan John Suriyakumar Gomez (Chairman)	Non-Executive Director
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	Independent Non-Executive Director
Mr. Niroshan Dakshina Gunaratne	Independent Non-Executive Director

The main objective of the remuneration policy of the Company is to attract and retain the required human resource talent to sustain its operations and to reward their performance.

The Remuneration Committee of AEL shall recommend the remuneration payable to the Executive Directors and CEO of the Company and/or equivalent position thereof, to the Board of the Company which will make the final determination upon consideration of such recommendations.

7.10.3 Strategic Planning Committee

The Strategic Planning Committee is primarily focused on assessing existing and new investments. This committee is responsible for identifying, appraising and monitoring current and new investments in order to ensure optimum resource allocation by the Company. The functions include;

- Formulating criteria and guidelines for assessing existing and new investments;
- Planning of investments periodically targeting at optimum utilisation of resources;
- Reviewing exiting investments;
- Assessing new investments for their strategic fit, risk profile, profitability and future potential; and
- Making recommendations to the Board on investment portfolio, contingency planning and desired future corporate goals.

Members of the Strategic Planning Committee are as follows;

Mr. Sumal Joseph Sanjiva Perera (Chairman)	Chairman/CEO
Mr. Joseph Christopher Joshua	Executive Director
Mr. Dalpadoruge Anton Rohana Fernando	Executive Director/COO
Mr. Alexis Indrajit Lovell	Independent Non-Executive Director
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	Independent Non-Executive Director

7.11 Corporate Management

Corporate Management of AEL possesses extensive knowledge and excellent business acumen in functioning of its business operation. Brief profiles of the key management of AEL are provided below.

Mr. Vasantha Manatunge – Senior General Manager

Mr. Manatunge joined AEL in early 2003 and is currently functioning as the Senior General Manager of AEL. He obtained his BSc Degree in Civil Engineering from the University of Moratuwa in 1978 and has been a Corporate Member of the IESL since 1982. He counts over 33 years of experience in the civil engineering field and has worked in various capacities in the state sector as well as the private sector.

Mr. Dharmasiri Chandrapala – General Manager (Technical)

Mr. Chandrapala joined AEL in 2002 and counts over 9 years of experience at the senior management level of the Company. He holds a BSc Degree in Civil Engineering and is also a Chartered Civil Engineer. He has 35 years of experience in the fields of irrigation and drainage, building construction, water supply and roads and bridges.

Mr. Manoj Jayahsuriya – General Manager (Projects Office - I)

Mr. Jayahsuriya joined AEL in March 2006 as General Manager (Projects Office - I). He has 29 years of experience in diversified fields such as Sri Lanka Navy, operations, apparel manufacturing, corporate planning and human resources management. He holds a MBA from the Postgraduate Institute of Management (PIM) of University of Sri Jayewardenepura, BSc (Hons) from University of Colombo and a Postgraduate Diploma in Psychology as well as several naval professional qualifications.

Mr. Srimal Fernando – General Manager (Projects Office - II)

Mr. Srimal Fernando joined AEL in August 1999 as a civil engineer and was promoted to the Manager Engineering in January 2004 and as General Manager in January 2008. Currently, he delivers his duties as the Head of Projects Office II. He holds a Bachelor's Degree in Civil Engineering from the University of Peradeniya and is a Corporate Member of the IESL.

During the period of his service, he was involved with major projects in many diversified fields such as roads and highways, bridges, telecommunication, water and waste water, piling and buildings in a senior level management capacity. For his exceptional achievements and capabilities, Mr. Fernando was awarded the "Access Star" for the year 2007.

Mr. Palitha Wanigasundara – General Manager (Construction Unit III)

Mr. Wanigasundara joined AEL in 2007 as Deputy General Manager (Construction) and currently functions as the General Manager (Unit III). He holds a Master of Science Degree in Civil Engineering (USSR), a Master of Engineering Degree in Construction Management (University of Moratuwa) and a Master of Business Administration Degree (Postgraduate Institute of Management (PIM) of University of Sri Jayewardenepura). He is a Fellow Member of IESL and a Corporate Member of Institution of Engineers, Australia. Prior to joining AEL, he has served in the NWSDB for 20 years in the capacities of Chief Engineer, Project Manager, Assistant General Manager and a Project Director.

Mr. Ariadasa Fernando – Deputy General Manager (Project Coordination)

Mr. Fernando joined AEL in August 2003 and presently serves as Deputy General Manager (Project Coordination). He is also functioning as the Company's Lead Auditor of the ISO systems. He has 38 years of experience in civil engineering to his credit and has worked in a number of government institutions such as Public Works Department, Highway Department, RDA and Road Construction and Development Company (Ministry of Highways) before joining the private sector. He is a graduate in Civil Engineering (City and Guilds, London) and possesses several other qualifications in civil engineering and is a Member of the Institute of Incorporated Engineers, Sri Lanka.

Mr. Kosala Wickramasinghe – Deputy General Manager (Projects Office – II)

Mr. Wickramasinghe joined AEL as a Project Manager in 2007 and currently functions as the Deputy General Manager (Projects Office - II). He holds a Bachelor of Science Degree in Civil Engineering and a Postgraduate Diploma in Structural Engineering from the University of Moratuwa. He is also a Corporate Member of the IESL and a Corporate Member of the Society of Structural Engineers, Sri Lanka. He has 12 years experience in the field of civil engineering including structural engineering and project management.

Mr. Niroschan Thilakarathne – Deputy General Manager (Commercial)

Mr. Thilakarathne is presently serving in the capacity of Deputy General Manager (Commercial) after serving in various capacities in the Company for over a period of almost 9 years. He has also over 5 years of experience before joining Access having worked in a professional firm which provides audit, tax, finance and advisory services. He is also a Finalist of the Institute of Chartered Accountants of Sri Lanka.

Ms. Neranjala Priyadarshani – Deputy General Manager (Finance)

Ms. Priyadarshani joined AEL in 2005 and presently serves in the capacity of Deputy General Manager (Finance) of AEL. She is an Associate Member of the Institute of Chartered Accountants of Sri Lanka and an Associate Member of the Society of Certified Management Accountants of Sri Lanka. She holds a Special Degree in Accountancy and Financial Management from the University of Sri Jayewardenepura.

Dr. Prabath Karunanayake – Head of Human Resources

Dr. Karunanayake is the latest addition to the Corporate Management Team of AEL and functions in the capacity of Head of HR. He holds a MBBS from the University of Colombo and a Master of Business Administration in HR from the same University. Currently, he is reading for his Doctorate in Organisational Psychology. He is an Associate Member of the Institute of Certified Professional Managers. He accounts for over 12 years of experience in training and human resource management in both private and public sector institutions. He has served as a consultant for local and multinational companies in HR and occupational health and safety. Dr. Karunanayake also serves as a Student Mentor and a Member of the Industry-Academic Consultative Committee at the University of Moratuwa.

7.12 Corporate Management's Emoluments

Total emoluments paid to the Corporate Management (excluding Executive Directors) in the form of salaries, bonuses and/or profit sharing payments during the FY 2010/11 amounted to Rs. 12,798,500/-. The Corporate Management is expected to be remunerated in the form of salaries, bonuses and/or profit sharing payments during the FY 2011/12 to an approximate extent of Rs. 23,935,000/-.

In addition to the remuneration estimated above for the FY 2011/12, the Corporate Management (excluding Executive Directors) was gifted with 9,668,000 Ordinary Shares by founder shareholders of AEL during the FY 2011/12.

7.13 Statement – CEO

The CEO of AEL has not been involved in any of the following:

- A petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was an executive officer;
- Conviction for fraud, misappropriation or breach of trust or any other similar offence which the CSE considers a disqualification.

8.0 OTHER INFORMATION

8.1 Relationship with Suppliers/Partners and Customers of AEL Group

8.1.1 Access Engineering Limited

Suppliers/Partners

AEL transacts with the following key types of suppliers/partners in carrying out infrastructure development projects; the equipment suppliers, raw material suppliers, sub-contractors and JV partners. Pertaining to acquisition of equipment, AEL is committed to selecting the highest quality equipment with high performance since these are strategic purchases involving very high values and relatively long economic lives. However, the Company is not dependent on a single dominant equipment supplier. Similarly, with regard to the supply of raw material, the Company has a wide range of suppliers to choose from and hence is not dependent on a single dominant raw material supplier. Prospective suppliers are selected through a supplier evaluation process. Furthermore, AEL is planning to implement a central procurement division, which will be vested with the responsibility of sourcing raw material required for the operations of the entire Company. This will enhance AEL's bargaining power in negotiating terms with suppliers, further decreasing the dependency on suppliers.

As the infrastructure development projects are relatively large scale in nature, AEL generally obtains the service of sub-contractors to carry out some specific tasks. Most of these projects are carried out by AEL together with the sub-contractors as a joint operation, with the exception of a few where either AEL or the sub-contractors carry out the task alone. Sub-contracted tasks are generally small scale in nature and are carried out under the guidance and supervision of AEL. Since there are large numbers of sub-contractors in the infrastructure development field, it can be stated that AEL has a low degree of dependence on any single sub-contractor.

Certain infrastructure development projects require foreign and local expertise and such projects are carried out through JV partnerships. AEL has been participating in a number of projects as a JV Partner with several other foreign construction companies. The Company has been identified as a preferred JV partner as a result of handling numerous large scale infrastructure development projects successfully, thus reducing its dependency on any single dominant partner.

Customers

Due to the nature of the business and AEL being primarily an infrastructure developer, it is vital to have a strong relationship with the state sector institutions, private sector business enterprises and foreign organisations. The Company has been able to establish its footing in many sectors of infrastructure development without depending on one key sector. Furthermore, AEL has been able to become the preferred engineering company in most of these sectors, establishing its reputation for deliverables with high quality and reliability. In an era of rapid development in Sri Lanka, where there would be abundant opportunities in the construction sector, the experience of the Company in the infrastructure development business together with the abovementioned reputation for quality and reliability and the relationships with different government agencies, are likely to benefit the Company further.

Furthermore, it must be noted that some of the large scale projects have been entrusted as a whole to the Company by the main contractor who has been selected by the funding agency (local and foreign). AEL has been able to establish a strong relationship with these large scale contractors resulting in the award of repeat contracts.

OTHER INFORMATION

8.1.2 Access Realities (Private) Limited

Suppliers

There is no dependency on any single supplier that would affect the performance of ARL other than the utility providers.

Customers

Customers of ARL comprise of tenants who occupy its premises, "Access Tower". At present, the tower operates at 100% occupancy, encompassing several well established tenants with agreements ranging from 1-10 years.

These tenants include Access group companies such as Access Telecom, Access International, AEL as well as other renowned corporates including banks, restaurants, educational institutions and state institutions. As such, there is no dependence on any particular customer.

8.2 Dividend Policy

Subject to the provisions of the Companies Act No. 7 of 2007 and the Articles of Association of AEL, the actual amount and timing of dividend payments on the Ordinary Voting Shares of the Company will be recommended and approved by the Board of Directors of the Company. The dividend policy of AEL will be based on a number of factors, including but not limited to the Company's earnings, cash flow position, future investments and funding of growth and the maintenance of a sound and efficient capital structure and any other factors that the Board of Directors may consider relevant.

Details of dividend payments during the preceding financial years have been stated under paragraph 3.5 of the Accountants' Report which is set out in Section 15.1 of this Prospectus.

8.3 Details of Material Indebtedness of AEL Group

Particulars of loans of AEL Group as at December 31, 2011 are given below.

Company	Bank/Financial Institution	Facility Limit (Rs.)	Outstanding Balance As At December 31, 2011 (Rs.)	Amount Repayable Within 1 Year (Rs.)	Amount Repayable After 1 Year (Rs.)
AEL	People's Leasing Company PLC	30,000,000	14,148,117	6,461,933	7,686,184
ARL	-	-	-	-	-
Total		30,000,000	14,148,117	6,461,933	7,686,184

Particulars of bank overdrafts of AEL Group as at December 31, 2011 are given below.

Company	Bank	Outstanding Balance (Rs.)
AEL	Bank of Ceylon	22,233,913
	Sampath Bank PLC	3,941,879
	Commercial Bank of Ceylon PLC	11,822,626
	Hatton National Bank PLC	7,251,330
ARL	-	-
Total		45,249,748

OTHER INFORMATION

Particulars of Bank Guarantees as at December 31, 2011 are as follows.

Company	Bank	Outstanding Balance (Rs.)
AEL	Nations Trust Bank PLC	657,360,707
	Sampath Bank PLC	1,438,839,281
	Bank of Ceylon	1,390,297,070
ARL	Bank of Ceylon	120,000
Total		3,486,617,058

Apart from those mentioned in Table 8-3, there are no material contingent liabilities and guarantees outstanding as at December 31, 2011.

Details of inter-company balances due to/from related parties of AEL Group as at December 31, 2011

Company	Related Company	Due From (Rs.)	Due To (Rs.)
AEL	ARL	70,000,000	-
ARL	AEL	-	70,000,000
Total		70,000,000	70,000,000

As at December 31, 2011, there are no lease, lease purchase, hire purchase and capital commitments of the AEL Group.

There are no liabilities under acceptance other than of trading nature and no acceptance credit outstanding as at December 31, 2011.

There are no mortgages or charges on assets of the AEL Group as at December 31, 2011.

8.4 Working Capital

The Board is of the opinion that working capital is sufficient for the purpose of carrying out day to day operations of the Company. However, for future business expansions, the Company intends to utilise the proceeds of the Issue contemplated herein, and bank borrowings as set out in Section 5.5 of the Prospectus.

8.5 Litigation, Disputes and Contingent Liabilities

As at December 31, 2011, there are no material legal, arbitration or mediation proceedings against the Company which may have or have had in the recent past affected the financial position or profitability of the Company.

As at December 31, 2011, there are no penalties imposed by any regulatory or state authority against the Company.

Apart from those mentioned in Table 8-3, there are no material contingent liabilities that would affect current and future profits of the Company as at December 31, 2011.

OTHER INFORMATION

8.6 Material Contracts

There are no material contracts entered into by the Company other than those contracts entered into as part of the ordinary course of business.

8.7 Details of Commissions Paid

No commission has been paid in the two (02) years preceding the Issue or payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares of the Company.

8.8 Details of Benefits Paid to Promoters

No benefit has been paid or given within the two (02) years preceding the Issue and there are no benefits intended to be paid or given to any promoter.

9.0 CAPITAL STRUCTURE

As at the date of this Prospectus, the Stated Capital of AEL is Sri Lanka Rupees Eight Billion and Five Hundred Million (Rs. 8,500,000,000/-).

9.1 An Overview of the Stated Capital of AEL

An overview of the Stated Capital of AEL for the two (02) years ended March 31, 2011 and up to December 31, 2011 is set forth below. There has not been any change in the Stated Capital of the Company since December 31, 2011.

Table 9-1: Movement in Stated Capital (April 1, 2009 - December 31, 2011)		
	Fully Paid Ordinary Shares	
	Number of Shares	Rs.
Balance as at April 01, 2009	100,000,000	1,000,000,000
Issue of Shares during the year	-	-
Balance as at March 31, 2010	100,000,000	1,000,000,000
Balance as at April 01, 2010	100,000,000	1,000,000,000
Issue of Shares on March 21, 2011 @ Rs.10/- per Share <i>[Issue of two (02) new Shares for every one (01) existing Share by way of a capitalisation of reserves]</i>	200,000,000	2,000,000,000
Balance as at March 21, 2011	300,000,000	3,000,000,000
Sub-division of one (01) existing Share into two (02) Shares on March 31, 2011	600,000,000	3,000,000,000
Balance as at March 31, 2011	600,000,000	3,000,000,000
Balance as at April 01, 2011	600,000,000	3,000,000,000
Issue of Shares on May 11, 2011 @ Rs.5/- per Share <i>[Issue of one (01) new Share for every three (03) existing Shares by way of a capitalisation of reserves]</i>	200,000,000	1,000,000,000
Issue of Shares on June 9, 2011 @ Rs.25/- per Share through the Prospectus dated May 30, 2011	180,000,000	4,500,000,000
Balance as at December 31, 2011	980,000,000	8,500,000,000

Detailed schedule of the share allotments made during the one (01) year period prior to the date of the Initial Listing Application (i.e. January 10, 2012) is disclosed in Annex C of this Prospectus.

In terms of the directive of the SEC made under Circular No. 01/2011 on February 7, 2011 and subsequent revision made under Circular No. 03/2011 on February 24, 2011, the Shares allotted during the one (01) year period prior to the date of listing, would be subject to a 'lock-in' for a period of one (01) year from the respective dates of allotment. As such, these Shares would not be available for secondary market trading on the CSE upon AEL obtaining a listing of its Shares subsequent to the IPO contemplated via this Prospectus until the expiry of the aforesaid one (01) year period from the respective dates of allotment.

CAPITAL STRUCTURE

A summary of Shares to be locked-in is given in Table 9-2 below.

Description	Number of Shares	Date of Allotment	Lock-in Period	Date of Un-locking*
Issue of two (02) new Shares for every one (01) existing Share @ Rs. 10/- per Share by way of a capitalisation of reserves	400,000,000 <i>[After the effect of sub-division of one (01) existing Share into two (02) Shares on March 31, 2011]</i>	March 21, 2011	March 21, 2011 to March 20, 2012	March 21, 2012
Issue of one (01) new Share for every three (03) existing Shares @ Rs. 5/- per Share by way of a capitalisation of reserves	200,000,000	May 11, 2011	May 11, 2011 to May 10, 2012	May 11, 2012
Issue of Shares on June 9, 2011 @ Rs. 25/- per Share through the prospectus dated May 30, 2011	180,000,000	June 9, 2011	June 9, 2011 to June 8, 2012	June 11, 2012

* Market Day immediately following the last day of lock-in period.

There had not been any Share issuances by the Company from December 31, 2011 up to January 10, 2012 (i.e. date of the Initial Listing Application).

As at the date of this Prospectus, the Company has no other classes of shares other than the abovementioned Ordinary Voting Shares.

There are no restrictions applicable to non-resident shareholders when investing in Shares of the Company.

The Company has not given any option to any person to subscribe for Shares of the Company.

9.2 Utilisation of Funds Raised through the Shares Issued on June 9, 2011

AEL raised funds amounting to Rs. 4,500 million through the issue of 180,000,000 Shares at a price of Rs. 25/- per share on June 9, 2011 in terms of the prospectus dated May 30, 2011.

The funds raised through the above issue conducted in June 2011 have been utilised/identified for the following purposes;

- A loan with an outstanding amount of approximately Rs. 596 million obtained on a long term basis from a LCB in Sri Lanka was settled by AEL on June 22, 2011.
- Investments in various equipment and machinery ranging from crusher plants, concrete batching plants, asphalt plants, hydraulic rock breakers, piling machines and other equipment in the form of capital expenditure to the amount of approximately Rs. 908 million was made by AEL during the period from June 2011 to December 2011 to build adequate capacities in view of the multitude of projects undertaken by the Company in various growth sectors of the economy as detailed in Section 6.2.1 of the Prospectus.
- An investment to the amount of Rs. 359 million as additional working capital was made in view of the increasing turnover and order book of AEL from June 2011 to date.

CAPITAL STRUCTURE

- AEL was awarded a BOT water project, the first PPP ever to be implemented in Sri Lanka (morefully described in Section 6.2.1.3 and Section 6.2.1.11 of this Prospectus), with AEL being the lead partner (51%) and Salcon Engineering Berhad (49%), a company quoted on Bursa Malaysia being the partner. The investment by AEL on this project is expected to be approximately USD 5.3 million (i.e. Rs. 600 million).
- AEL is in the process of establishing a fully owned subsidiary with BOI status with the objective of carrying out mixed development projects where equity financing of the identified projects are to be partly financed using the proceeds of the Shares issued on June 9, 2011. The funds that have been allocated for the above project is approximately Rs. 500 million.
- With the experience gained through the sound organic growth over a decade of the business operation, AEL Group intends to leverage its core competencies and achieve future strategies through in-organic means by targeting lucrative strategic investment opportunities available in the market place. These investments would be pursued through mergers and acquisitions in spheres where the Company can benefit, through upgrading the group resource base and reinforce its competitive advantage with enhance synergies, economies of scale and access to new markets. The funds that have been allocated for the abovementioned possible strategic investments out of the funds raised through the Shares issued on June 9, 2011 amounts to approximately Rs. 850 million.
- The remaining portion of the funds raised through the Share issue on June 9, 2011 amounts to approximately Rs. 687 million and is expected to be utilised to finance the future working capital requirements of the Company in its ordinary course of business as morefully described in Section 5.5. This excess amount together with the identified fund allocation for various investment activities mentioned above is currently held in short term investments until the actual utilisation of such funds.

9.3 Transfer/Gifting of Shares by Major Shareholders of AEL

Tabulated below are the details of Shares that have been transferred/gifted by major shareholders of AEL.

Name of Transferor	Name of Transferee	Date of Transfer	Number of Shares	Price per Share (Rs.)
Mr. Sumal Joseph Sanjiva Perera	Mr. Shamal Joseph Shavindra Perera	May 25, 2011	25,000,000	-
	Mrs. Devinka Rumali Swasha Malalasekara	May 25, 2011	24,999,992	-
	Mr. Dalpadoruge Anton Rohana Fernando	May 25, 2011	4,000,000	-
	Mr. Shevantha Harindra Sudharaka Mendis	May 25, 2011	10,000,000	-
	Mr. Suresh Dilhan Perera	May 25, 2011	2,000,000	-
	Mr. Thiththalapitige Anton Gration Fernando	May 25, 2011	400,000	-
	Mr. Saumaya Dharshana Munasinghe	May 25, 2011	4,000,000	-
	Employees (953)	January 10, 2012	39,299,680	-
Mrs. Dona Rumali Shama Perera	Mr. Sumal Joseph Sanjiva Perera	May 25, 2011	8	5/-
Mr. Joseph Christopher Joshua	Mrs. Ramani Marie Nelum Joshua	May 25, 2011	69,999,992	-
	Mr. Dalpadoruge Anton Rohana Fernando	May 25, 2011	10,000,000	-
	Mr. Shevantha Harindra Sudharaka Mendis	May 25, 2011	4,000,000	-

CAPITAL STRUCTURE

Transfer/Gifting of Shares by Major Shareholders				
Name of Transferor	Name of Transferee	Date of Transfer	Number of Shares	Price per Share (Rs.)
Mr. Joseph Christopher Joshua	Mr. Thiththalapitige Anton Gration Fernando	May 25, 2011	6,000,000	-
	Mr. Saumaya Dharshana Munasinghe	May 25, 2011	10,000,000	-
Mrs. Shanaz Gomez	Mr. Ranjan John Suriyakumar Gomez	May 25, 2011	8	5/-
Mr. Ranjan John Suriyakumar Gomez	Mr. Ranshan Jude Gomez	May 25, 2011	25,000,000	-
	Mr. Shehan Anthony Aloysious Gomez	May 25, 2011	25,000,000	-
	Mr. Dalpadoruge Anton Rohana Fernando	May 25, 2011	10,000,000	-
	Mr. Shevantha Harindra Sudharaka Mendis	May 25, 2011	10,000,000	-
	Mr. Saumaya Dharshana Munasinghe	May 25, 2011	10,000,000	-

Apart from those details mentioned in Table 9-3, there had not been any Shares of the Company either being sold or purchased or gifted by the major shareholders of the Company during the one (01) year period preceding the date of the Initial Listing Application (i.e. January 10, 2012).

9.4 Shareholders of AEL

Tabulated below are the top twelve (12) shareholders of the Company as at January 10, 2012, being the date of the Initial Listing Application.

Table 9-4: Top 12 Shareholders of AEL		
Name of Shareholder	Number of Shares	Percentage of Shareholding (%)
Mr. Sumal Joseph Sanjiva Perera (Note)	250,300,320	25.54%
Mr. Ranjan John Suriyakumar Gomez	120,000,000	12.25%
Mr. Joseph Christopher Joshua	100,000,000	10.20%
Mrs. Ramani Marie Nelum Joshua	70,000,000	7.14%
Mr. Shamal Joseph Shavindra Perera	45,000,000	4.59%
Mrs. Devinka Rumali Swasha Malalasekera	45,000,000	4.59%
John Keells Holdings PLC	40,000,000	4.08%
Mr. Ranshan Jude Gomez	25,000,000	2.55%
Mr. Shehan Anthony Aloysious Gomez	25,000,000	2.55%
Mr. Dalpadoruge Anton Rohana Fernando	24,000,000	2.45%
Mr. Shevantha Harindra Sudharaka Mendis	24,000,000	2.45%
Mr. Saumaya Dharshana Munasinghe	24,000,000	2.45%
	792,300,320	80.84%
Other 1,076 Shareholders	187,699,680	19.16%
Total	980,000,000	100.00%

CAPITAL STRUCTURE

Note:

The three founder shareholders of AEL namely, Mr. Sumal Joseph Sanjiva Perera, Mr. Joseph Christopher Joshua and Mr. Ranjan John Suriyakumar Gomez agreed to gift out of their total shareholding, 120,000,000 Ordinary Voting Shares of AEL to employees including Executive Directors. Mr. Suresh Dilhan Perera who was an Executive Director at the time of gifting of such Shares (resigned subsequently from the Board) was a beneficiary for 2,000,000 Shares. Out of Mr. Sumal Joseph Sanjiva Perera's shareholding of 250,300,320 as at January 10, 2012, 300,320 Shares held are to be gifted to employees. Apart from the 300,320 Shares in respect of which the gifting to employees is not completed, the balance 119,699,680 Shares were gifted on May 25, 2011 (80,400,000 Shares) and January 10, 2012 (39,299,680 Shares) respectively. The aforesaid 300,320 Shares held by Mr. Sumal Joseph Sanjiva Perera, are to be gifted to employees prior to the listing of the Shares of the Company on the CSE. Subsequent to the gifting of the balance 300,320 Shares to employees, Mr. Sumal Joseph Sanjiva Perera would hold 250,000,000 Shares (25.51%) of AEL.

Upon the listing of Shares of the Company on the CSE subsequent to IPO, the public holding of the Company would be 36.56% (on the basis of the Issue being fully subscribed) out of which public holding available for trading would be approximately 18.96% (i.e. assuming the Company obtains a listing on a date after March 21, 2012). The total public holding of 36.56% is expected to be freely transferable subsequent to the unlocking of the locked-in Shares on June 9, 2012.

9.5 Details Pertaining to the Locked-in Shares

Details pertaining to the Locked-in Shares constituting the public holding, pre IPO and post IPO are given in Table 9-5 below.

Table 9-5: Details of Locked-in Shares Constituting the Public Holding					
Description	Public Holding (as per the definition of the CSE Listing Rules)				
	Pre - IPO	Post IPO			
		As at March 20, 2012	As at March 21, 2012	As at May 11, 2012	As at June 11, 2012
Number of Shares Held	345,600,006	365,600,006	365,600,006	365,600,006	365,600,006
Percentage (%) of Shares held as against the total number of Ordinary Shares	35.27%	36.56%	36.56%	36.56%	36.56%
Number of Shares Locked-in	196,000,006	196,000,006	176,000,002	164,000,000	-
Percentage (%) of the Shares locked-in as against the total number of Ordinary Shares	20.00%	19.60%	17.60%	16.40%	-
Number of Shares not locked-in	149,600,000	169,600,000	189,600,004	201,600,006	365,600,006
Percentage (%) of the Shares not locked-in as against the total number of Ordinary Shares	15.27%	16.96%	18.96%	20.16%	36.56%

CAPITAL STRUCTURE

9.6 Distribution of Shareholding of AEL

The distribution of shareholding of the Company as at the date of the Initial Listing Application is tabulated below.

Range	Number of Shareholders	Total Shares Held	Percentage of Shareholding (%)
1-1,000	122	56,280	0.01%
1,001-5,000	260	657,600	0.07%
5,001-10,000	130	956,280	0.10%
10,001-50,000	279	6,450,640	0.66%
50,001-100,000	78	5,558,480	0.57%
100,001-500,000	146	43,080,400	4.39%
500,001-1,000,000	31	25,740,000	2.62%
Over 1,000,000	42	897,500,320	91.58%
Total	1,088	980,000,000	100.00%

9.7 Details of Other Changes to Stated Capital

The Company has not carried out any share redemption, repurchase or reduction in Stated Capital in the last two (02) years preceding the date of this Prospectus.

9.8 Details of Convertible Debt Securities

The Company has no outstanding convertible debt securities as at the date of this Prospectus.

9.9 Details of Shares Sold Privately in Conjunction with the Issue

No Shares are being issued privately in conjunction with this Issue.

9.10 Free Transferability of Shares

Further to the disclosure in Section 5.20, Shares shall be freely transferable and the registration of the transfer of such Shares shall not be subject to any restriction.

9.11 Take-over Offers

There have been no take-over offers by third parties in respect of the Company's Shares during the past two (02) years, preceding the date of this Prospectus.

The Company has not made any other take-over offers in respect of a third party during the past two (02) years preceding the date of this Prospectus.

10.0 MANAGEMENT DISCUSSION AND ANALYSIS

10.1 Access Engineering Group

Salient extracts of the Income Statements and the Balance Sheets for AEL Group highlighting the performance for the four year period ended March 31, 2011 are presented below. It should be noted that AEL Group commenced preparation of consolidated financial statements from FY 2007/08.

Table 10-1: Summarised Income Statements of AEL Group

<i>All figures in Rs. millions</i>				
For the Year Ended March 31,	2008	2009	2010	2011
Revenue	2,469	3,437	3,175	3,651
Gross Profit	553	832	900	1,296
Operating Profit	393	997	966	1,359
Profit Before Tax	397	983	988	1,381
Profit After Tax	327	868	850	1,167

Table 10-2: Summarised Balance Sheets of AEL Group

<i>All figures in Rs. millions</i>				
As at March 31,	2008	2009	2010	2011
Non-Current Assets	1,003	2,918	2,884	4,029
Current Assets	949	1,004	1,502	1,738
Total Assets	1,953	3,922	4,386	5,767
Capital and Reserves	772	3,285	3,767	4,344
Non-Current Liabilities	310	308	39	525
Current Liabilities	871	329	581	898
Total Liabilities and Shareholders' Funds	1,953	3,922	4,386	5,767

10.2 Access Engineering Limited

Since its inception, AEL has emerged as one of the leading civil engineering and construction companies in Sri Lanka. This section discusses the performance of AEL during the last five financial years.

10.2.1 Operating Results

Salient extracts from the Income Statements and Balance Sheets of AEL during the five year period ended March 31, 2011 are given below.

Table 10-3: Summarised Income Statements of AEL

<i>All figures in Rs. millions</i>					
For the Year Ended March 31,	2007	2008	2009	2010	2011
Revenue	1,567	2,469	3,385	3,033	3,518
Gross Profit	267	553	796	773	1,199
Operating Profit*	139	393	974	939	1,128
Profit Before Tax	133	397	960	961	1,144
Profit After Tax	103	327	846	825	936

* Operating profit is greater than gross profit during FY 2008/09 and FY 2009/10 due to the profits from JVs with China Geo-Engineering and Salcon Engineering Berhad.

Table 10-4: Summarised Balance Sheets of AEL					
<i>All figures in Rs. millions</i>					
As at March 31,	2007	2008	2009	2010	2011
Non-Current Assets	349	1,007	2,023	2,088	3,921
Current Assets	796	946	936	1,457	1,830
Total Assets	1,145	1,954	2,959	3,545	5,751
Capital and Reserves	441	769	2,364	3,004	4,367
Non-Current Liabilities	95	306	306	37	520
Current Liabilities	609	879	289	504	863
Total Liabilities and Shareholders' Funds	1,145	1,954	2,959	3,545	5,751

10.2.2 Performance of AEL for the Five Years Ended March 31, 2011

Revenue

The movement in revenue of AEL during the last five financial years is depicted below.

Figure 10-1: Revenue of AEL

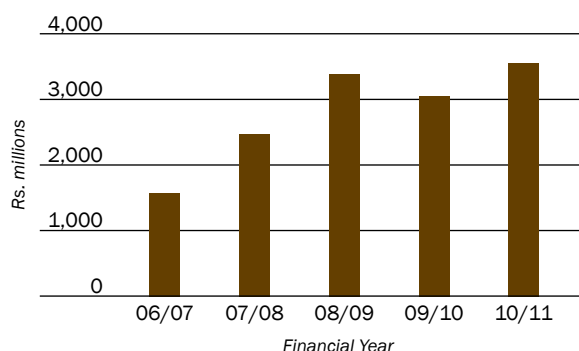
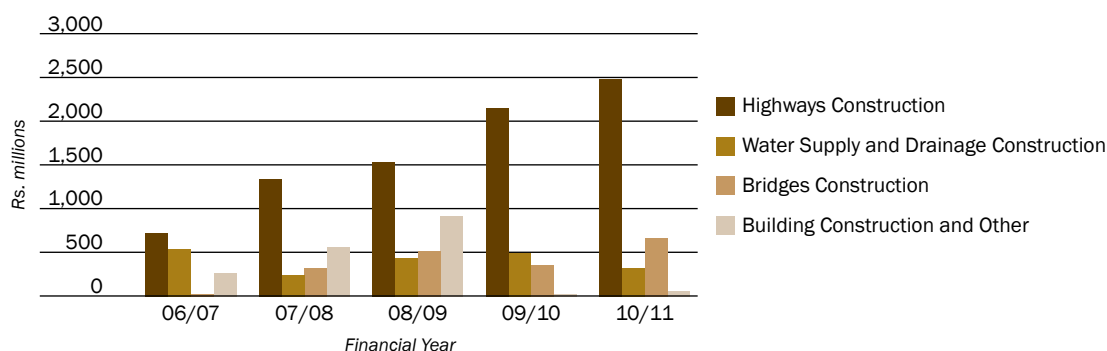


Figure 10-2: Revenue Breakdown of AEL



AEL has been able to maintain an impressive growth in revenue recording a CAGR of 22.41% over the last five financial years. The main contributor to revenue has been the highways construction sector which posted remarkable revenue growth with a CAGR of 36.05% between FY 2006/07 and FY 2010/11. Revenue growth of the Company is especially noteworthy in the backdrop of the relatively adverse conditions which prevailed in the country on the political and economic fronts prior to the cessation of the three decade long war.

MANAGEMENT DISCUSSION AND ANALYSIS

During the height of the conflict, substantial proportion of GoSL expenditure was allocated for national security, reducing the resources available for infrastructure development projects. However, it should be noted that GoSL expenditure on road development projects continued to increase despite the war. The decline witnessed in FY 2009/10 and 2010/11 on account of revenue generated by telecommunication, irrigation and drainage projects was caused by the abovementioned curtailment in infrastructure development projects of this nature during the war. Due to the fact that such projects generally span over 2 to 3 years, the Company experiences the adverse impact of such a delay in expenditure on infrastructure with a time lag.

However, AEL expects to reap the benefits of numerous large scale infrastructure development projects that were initiated and undertaken, both by GoSL and the private sector, in the post-war period in the near future.

Profitability

The following figures illustrate the gross and net profits of AEL with the gross and net profit margins for the five year period to March 31, 2011.

Figure 10-3: Gross Profit of AEL

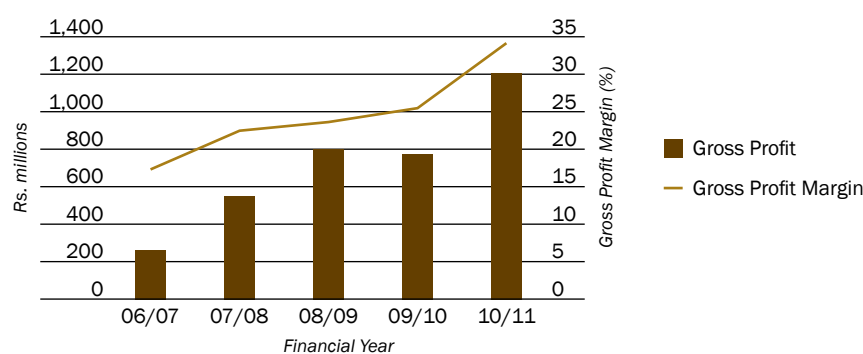
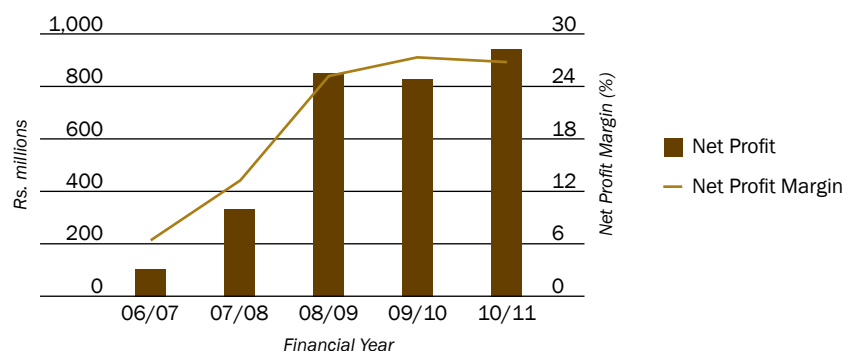


Figure 10-4: Net Profit of AEL



AEL has achieved healthy increases in gross profit margins during the last five financial years. The Company has been able to command a relatively high margin through cost reduction supported by improved efficiency and economies of scale. The Company has been able to achieve a much steeper increase in its net profit margins in FY 2008/09 due to profit from JVs mentioned above and improvements in efficiency of managing overheads. AEL has been able to maintain administrative costs at an average rate of 6.7% of revenue during the last five financial years despite the rapid expansion of core business reflecting its efficient resource utilisation.

MANAGEMENT DISCUSSION AND ANALYSIS

10.3 Access Realities (Private) Limited

ARL commenced commercial operations in March 1998 and became a fully owned subsidiary of AEL on March 31, 2011. ARL, being in the business of property development, is the holding company of Access Towers, a 12 storeyed modern office complex located within the corporate hub of Colombo. This section outlines the performance of ARL from the FY 2006/07 to FY 2010/11.

10.3.1 Operating Results

Salient extracts from the Income Statements and Balance Sheet of ARL for the five year period ended March 31, 2011 are given below.

Table 10-5: Summarised Income Statements of ARL					
<i>All figures in Rs. millions</i>					
For the year ended March 31,	2007	2008	2009	2010	2011
Revenue	118	127	137	155	148
Gross Profit	101	106	105	129	113
Operating Profit*	93	382	91	125	586
Profit Before Tax	88	378	90	125	586
Profit After Tax	88	378	90	123	581

* Operating profit is greater than gross profit during FY 2007/08 and FY 2010/11 due to the gains from revaluation of property.

Table 10-6: Summarised Balance Sheets of ARL					
<i>All figures in Rs. millions</i>					
As at March 31,	2007	2008	2009	2010	2011
Non-Current Assets	2,012	2,306	2,313	2,318	2,805
Current Assets	29	68	67	217	84
Total Assets	2,041	2,374	2,380	2,535	2,888
Capital and Reserves	1,975	2,322	2,341	2,285	2,677
Non-Current Liabilities	14	1	2	101	102
Current Liabilities	53	51	37	148	110
Total Liabilities and Shareholders' Funds	2,041	2,374	2,380	2,535	2,888

10.3.2 Performance of ARL for the Five Years Ended March 31, 2011

Revenue

The movement in revenue of ARL and occupancy levels at Access Towers during the last five financial years is depicted below.

Figure 10-5: Revenue of ARL

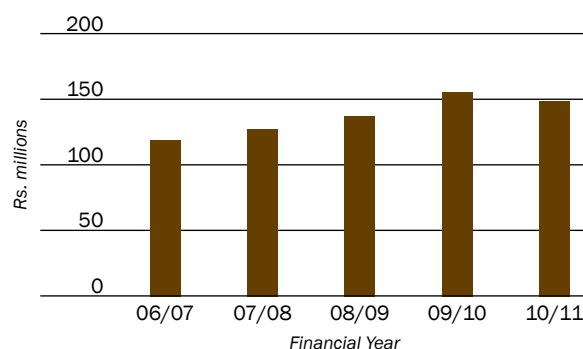
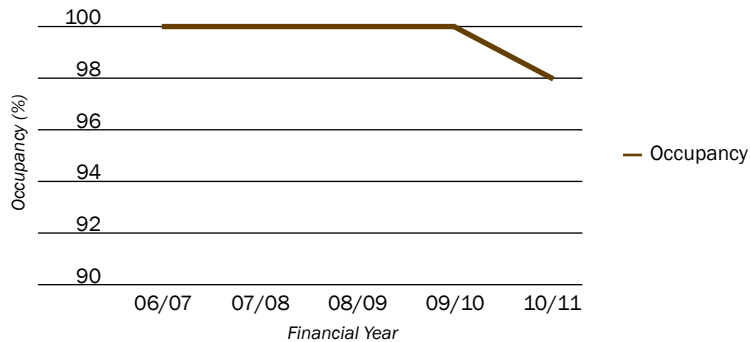


Figure 10-6: Occupancy at Access Towers



ARL has maintained a steady growth in revenue during the last five years except for a marginal decline in the most recent financial year due to a marginal drop in occupancy at Access Towers to 98% during the period from October 2010 to January 2011.

The company has been able to maintain almost full occupancy at Access Towers since FY 2006/07. This is a significant achievement given the adverse economic conditions and political environment which prevailed in the country up to FY 2009/10.

Profitability

The following figures depict the profitability of ARL during the last five financial years.

Figure 10-7: Gross Profit of ARL

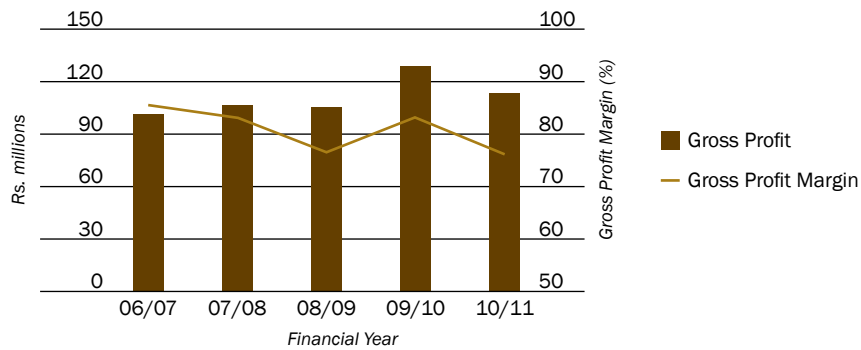
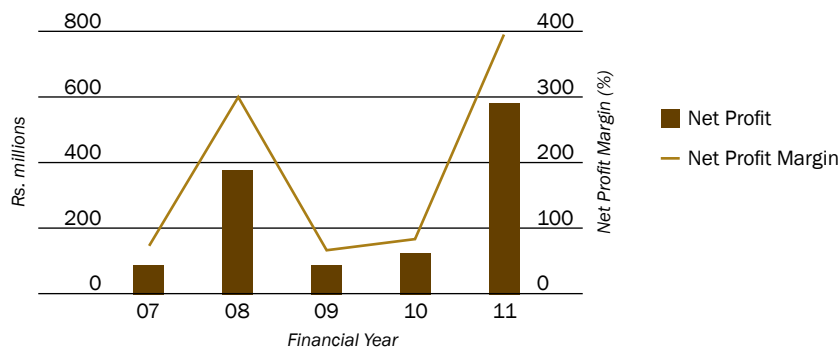


Figure 10-8: Net Profit of ARL



MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit of ARL has been volatile primarily due to the fluctuations in direct expenses while volatility in net profit has been due to the revaluation gains from investment property. Fluctuations in direct expenses are caused by the maintenance and repair work conducted in Access Towers. As per Sri Lanka Accounting Standard (SLAS) 40, the company has to determine fair value of investment property on the basis of a valuation conducted by an independent valuer once in every three years and by the Board of Directors annually. As a result, ARL recorded fair value gains on investment property of Rs. 294.1 million and Rs. 486.3 million respectively during FY 2007/08 and FY 2010/11. Annual estimates of fair value gains by the directors for FY 2006/07, FY 2008/09 and FY 2009/10 were Rs. 5.9 million, Rs. 4.7 million and Rs. 8.9 million respectively. Further, ARL has maintained administrative expenses at a low level of Rs. 17-18 million. The company has enjoyed a tax holiday up to the FY 2009/10. ARL is liable to corporate income tax at the concessionary rate of 2% on its turnover for a period of fifteen (15) years from the year of assessment 2010/11 and at the corporate income tax rate applicable at such time after the expiration of the said fifteen (15) year period.

10.4 Recent Performance of AEL Group

The AEL Group recorded a revenue of Rs. 4,520.7 million for the nine months ended December 31, 2011 and achieved an after tax profit amounting to Rs. 965.5 million. Furthermore, the balance sheet of AEL Group as at December 31, 2011 has been strengthened subsequent to a fresh infusion of equity capital via a share issue in June 2011 as morefully described in Section 9. The resultant total asset base of AEL Group stood at Rs. 12,088.2 million as at December 31, 2011. The infusion of equity funds in June 2011 enabled AEL to finance its working capital requirements in order to capitalise on the opportunities available in the construction and engineering sectors, particularly in light of the healthy pipeline of projects possessed by the Company.

Furthermore, it should be noted that due to the relatively long time span of the projects undertaken by the Company, there exists a time lag between the actual undertaking of a project and its positive impact being reflected in the financial statements. In light of this fact, AEL expects to reap the benefits of the projects undertaken/initiated in the post-war environment within the latter part of the current financial year and during the next 2-3 year period.

10.5 Key Financial Ratios

The key financial ratios in relation to AEL Group and AEL for the nine months ended December 31, 2011 are given below.

For Nine Months Ended December 31, 2011	AEL Group	AEL
Gross Profit Margin	28.32%	27.27%
Net Profit Margin	21.36%	20.06%
Return on Equity	14.20%	13.81%
Return on Asset	11.50%	11.09%
Current Ratio	3.03	3.08

11.0 INVESTMENT CONSIDERATION AND ASSOCIATED RISKS

Prior to investing in the Shares in Issue, prospective investors should pay particular attention to the fact that AEL and its subsidiary ARL are exposed to a number of risk factors, some of which are within and others beyond the control of the management.

The risk factors which are discussed in this section may be considered material to investors in making an informed judgment on the Company. AEL Group operates in the construction engineering sector and property development sector. Therefore, the discussion below is focused on risks related to these two sectors. If any of the considerations and uncertainties given below develop into actual events, business, financial conditions or results of operations and prospects of the AEL and its subsidiary ARL could be materially affected. Such an adverse effect will invariably lead to an adverse impact on the value of the Shares. However, given the current favourable economic conditions in the country, demand for the Group's business is expected to be sustainable in the foreseeable future.

11.1 Risks Relating to Macro Environmental Factors

11.1.1 Unfavourable Political and Economic Changes in Sri Lanka may Adversely Affect the Operations of AEL Group

Government exerts a substantial influence on many aspects of the economy. Business and financial performance of AEL Group could be affected by political instability of the country and the region. Since the prospects of the construction sector and the property sector are closely linked to GoSL policy on infrastructure development and closely follows the fluctuations in economic conditions of the country respectively, an unstable political environment and adverse economic conditions may dampen the demand for services provided by the Group. However, with the end of three decade long civil war, Sri Lanka has started reaping the benefits of the current peaceful political environment conducive for higher future economic growth. In fact, Sri Lanka registered an annual economic growth of 8.3% in year 2011 (as per CBSL estimates), the second best GDP growth ever achieved since independence. Further, the GoSL policy favours infrastructure development projects and it has been witnessed through the launch of various aggressive infrastructure development programs with the assistance of foreign governments and other donor agencies since the end of the war. Hence, AEL Group is well poised to benefit from the improved political and economic conditions in the country with its strong presence in both construction and property sectors.

The political upheavals in the middle-east and weakened US Dollar has led to high fuel prices across the globe. Unexpected increases in fuel costs and related raw materials may reduce the profitability of the Group. AEL Group has a highly skilled and experienced staff who continuously monitor the developments in the industry thus assists the Group in anticipating adverse commodity price fluctuations. These developments are in turn considered in the negotiation of contracts and pricing of services hence, mitigate the risk of reducing profit margins through adverse movement in raw material prices.

11.1.2 Exposure to Increased Competition in the Future

AEL Group faces competition from both foreign and local competitors for construction business. This risk is reduced due to the strong reputation of the Company as an established player in the construction engineering industry with a proven track record and the highest levels of certification/accreditation for quality of service obtained from the ICTAD.

Further, increased investments in the property development sector may affect AEL Group if such investments lead to oversupply of office-space, commercial property or residential apartments. However, this is an unlikely event in the foreseeable future, given the high level of economic activity in the country.

11.1.3 Natural Perils

Natural disasters such as earthquakes, floods and tsunamis may delay and/or damage construction work of the AEL Group. Despite the necessary precautionary measures taken by the Group, to minimise the damage from such conditions, vulnerability to such risks of natural disasters is inevitable. However, the Group has obtained sufficient insurance covers in order to reduce the risk of such damages to properties and potential interruptions to the business operations, thus ensuring business continuity.

INVESTMENT CONSIDERATIONS AND ASSOCIATED RISKS

11.2 Risks Relating to the Existing Business of AEL Group

11.2.1 Uncertainties with the Procurement of Businesses and Risk of Delayed Payments

Operations of AEL are substantially dependent on medium to long term infrastructure development plans. Risks associated with such dependence include risk of delayed payments leading to uncertainties on the procurement and issues in availability of funds to implement infrastructure projects as scheduled. Risks also prevail with regard to payments for completed work of existing projects. Delayed payments could lead to higher borrowing requirements and higher financing costs.

However, most of the uncertainties discussed above are reduced due to the strong partnerships AEL has with its foreign partners. Further, these partners are generally capable of providing a total solution to the project including the funding which in turn increases the feasibility of the project. This ensures the implementation of GoSL projects as scheduled. Moreover, AEL has a strong balance sheet to withstand delays in payments and other uncertainties. The long established relationship with Government agencies also reduces the possibility of excessive delays in payments. Payment risk related to ARL is minimal due to the careful screening of the tenants. ARL has always been catering to reputed tenants to make sure no payment delays are experienced.

11.2.2 Construction and Development Delays and Cost Over-Runs

Delays experienced during the implementation stage of development projects and price fluctuations of key inputs are likely to expose AEL to cost overruns affecting profitability. Further, construction activities are also dependant on the availability of key raw materials in timely and adequate quantities at competitive prices. Reasonable levels of cost escalations due to inflation are taken in to account in the planning and estimation process before negotiating with the client. Over the years, AEL has developed skill of anticipating and successfully mitigating adverse conditions, which can cause delays in project implementation. This experience is believed to assist AEL in mitigating this risk wherever possible.

11.2.3 Loss of Key Employees

The team of skilled and highly experienced professionals is a key competitive advantage of the Company in providing a total solution to its clientele. Loss of key staff to competitors may lead to future loss of business and decline in quality of services. AEL prides itself of being a preferred employer for professionals particularly in fields such as engineering.

The Company provides its employees with highly competitive remuneration packages, extensive training and development and always maintains a friendly working environment. Effective human resource strategies are in place for the retention of key employees.

With the founder shareholders deciding to gift Shares of AEL to employees at all levels, it is expected that the ownership of Shares by employees in the Company would enable to motivate and increase their loyalty towards AEL, in addition to extending an opportunity to share the success of the Company.

11.2.4 Operational Risks and Hazards to Staff and End Users

Due to the hazards inherent in the provision of construction services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion etc, the workforce is exposed to hazards. Faulty constructions may expose end users to hazards leading to substantial financial and reputation loss to the Company.

AEL mitigates safety risks to the workforce by providing extensive training on safety and adhering to the industry best practices on safety. The Company adheres to the highest level of safety standards in construction engineering and employs a team of highly experienced and skilled professionals to ensure the quality of construction. Safety procedures are maintained at Access Towers to ensure the safety of the tenants.

INVESTMENT CONSIDERATIONS AND ASSOCIATED RISKS

AEL also makes available safety equipment in all construction sites to ensure the safety of site workers. Further, the Company has obtained insurance coverage to mitigate any claims arising from any unexpected liabilities.

11.2.5 Prolonged Adverse Weather Conditions

Implementation of the projects of AEL may be affected by adverse weather conditions such as heavy rains and floods. The Company makes adequate provisions for non-execution of projects due to prolonged adverse weather conditions in the planning process.

11.2.6 Regulatory Environment

The operations of AEL are subject to environmental regulations at every project site that it operates. Strategies required to comply with these regulations are considered at the design stage. AEL also obtains necessary certification to operate with highest quality standards in construction engineering.

11.3 Risks Relating to Future Plans of AEL Group

11.3.1 Township and Residential Sector

The ability of the Company to attract significant demand for its residential properties and township development projects depend on the availability of land banks in appropriate locations to build these facilities at a reasonable cost. Other factors which affect success of these projects include regulations related to planning, environmental issues, zoning, permitted land use, building designs etc. Further, rising interest rates may reduce the attractiveness of residential property as an investment for customers and also make it more expensive for them to buy.

AEL expects to mitigate the risk of low demand for residential property by taking pre-orders/sales prior to commencing construction. Further, with the end of the war, large number of expatriates can be expected to return to Sri Lanka or make investment in residential property. In light of the prevailing favourable economic conditions, demand for residential property is likely to be high in the medium to long term.

11.3.2 Public-Private Partnerships

There may be a situation where AEL would have to confront with stiff competition from leading local contractors in procuring the limited infrastructure projects to be carried out under PPP. Once offered, the Company may also be exposed to the risk of delaying/abandoning projects due to public interference/protest as well as changes in macroeconomic conditions which may be beyond the control of the Company. Further, AEL would be exposed to demand risk for completed projects whereby the Company would not be able to generate the anticipated income from such projects.

However, the long standing relationship with the GoSL agencies built over a period of time through the establishment of a sound track record for constructing numerous infrastructure projects, both solely and by partnering with renowned foreign contractors, may pave the Company to procure business over its competitors. As the essence of PPP suggests; a mutual sharing of risk, the Company would be in a position to share the anticipated risk jointly with public partners, hence mitigating any delays or abandoning of projects due to external factors.

11.3.3 Strategic Investments

Expected returns from strategic investments may not be materialised due to adverse developments in the macroeconomic environment. In addition, synergies expected from the strategic investments may not materialise due to lack of strategic and/or cultural fit. In mitigating possible risks associated with strategic investments, AEL would seek expert advice from industry consultants on the identification and integration of such investments.

11.3.4 Investment in Renewable Energy

Any future construction of renewable energy power projects by AEL would be exposed to risks which include but are not limited to those caused by construction cost overruns, delays in the planned completion, flaws in construction and delays in securing requisite approvals. However, the Company intends to harness its project management expertise and expertise in civil engineering in ensuring the timely construction and commissioning of the intended projects. Furthermore, the Company would take timely measures to apply for the requisite approvals by various regulatory authorities such as CEA, CEB and PUCSL in order to ensure that the projects could commence without any undue delay.

Furthermore, adverse changes in GoSL policy towards the renewable energy projects by the private sector may affect the viability of such projects undertaken by AEL. Reasons for such an adverse change include but are not limited to the construction of renewable energy projects by state sector institutions, availability of cheap alternative sources of energy and increased government involvement in the setting up of power generation facilities using alternative renewable sources of energy due to environmental concerns. However, the price paid by CEB for a unit of electricity generated by renewable energy sources compares favourably with most other forms of thermal power generation and thus should remain to be a preferred source of power for the national power grid. Furthermore, the expected increase in the electricity demand, particularly due to the liberation of the North and East regions, is expected to outpace the increase in supply from the power plants which are currently being constructed and/or in the pipeline, thereby creating ample opportunities for private sector power producers to meet the deficit.

11.4 Capital Market Related Risks

11.4.1 No Prior Market Exists for the Shares

Prior to the Issue there has been no public market for the Company's Shares. There can be no assurance that an active trading market for Shares will develop or if developed, will be sustained, or that the market price of Shares in Issue shall not decline below the Share Offer Price. The Share Offer Price may not be indicative of the market price for the Company's Ordinary Shares after completion of the Issue.

11.4.2 Price Volatility in the Secondary Market

The price of the Shares may fluctuate due to and not limited to variations in operating results, changes in operating environment, transitions in the regulatory front, technological advancements/obsolescence, macroeconomic factors and external events. Price of Ordinary Shares may follow general investor sentiment prevalent in the market at a given time. In addition, the price of Shares in the market will fluctuate as a result of share trading volumes.

11.4.3 Shares May Not be a Suitable Investment for All Investors

Each potential investor in Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to evaluate Shares, the merits and risks of investing in Shares and the information contained or incorporated by reference in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in Shares and the impact the Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in Shares, including where the settlement currency is different from the currency in which such investor's principal financial activities are denominated;
- understand thoroughly the terms of Shares and be familiar with any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

12.0 TAXATION AND EXCHANGE CONTROL

The following information is an overview of selected taxation and other regulations that may be relevant to the AEL Group and potential investors with regard to their investment and share transactions in Sri Lanka. The discussion does not claim to be a comprehensive explanation of applicable taxation regulations and consideration that pertain to the AEL Group and/or to the purchase, ownership and disposition of the Shares in Issue. Investors are advised to consult their own advisors prior to investing in the Company and engage in transactions related to the Issue.

12.1 Corporate Taxation

In accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and subsequent amendments thereto, AEL is liable to pay corporate income tax at the concessionary rate of twelve per centum (12%) on net construction income and twenty eight per centum (28%) on other income from the FY 2011/12.

As per the agreements signed on March 30, 1994 with the BOI, under the Section 17 of the BOI Law No. 4 of 1978, ARL is liable to pay corporate income tax at the concessionary rate of two per centum (2%) on its turnover for a period of fifteen (15) years from the FY 2010/11 and at the corporate income tax rate applicable at such time after the expiration of the said fifteen (15) year period. Currently, ARL is liable to twenty eight per centum (28%) on other income.

12.2 Economic Service Charge

In accordance with the Economic Service Charge Act No. 13 of 2006, as amended, AEL is liable to pay Economic Service Charge (ESC) at the rate of zero decimal two five per centum (0.25%) on construction income and at the rate of one per centum (1%) on other income. ARL is liable to pay ESC at the rate of zero decimal two five per centum (0.25%) on the liable turnover.

Companies are able to claim ESC against income tax liability. Any unclaimed ESC can be carried forward and set off against the income tax payable for a further four (04) years as per the relevant provision in the ESC Act.

12.3 Value Added Tax

AEL and ARL are liable to pay Value Added Tax (VAT) on their revenue at a rate of twelve per centum (12%), under the Value Added Tax Act No. 14 of 2002 and its subsequent amendments.

12.4 Nation Building Tax

In line with the Nation Building Tax Act No. 9 of 2009, AEL and its subsidiary ARL are liable to pay Nation Building Tax (NBT) at the rate of two per centum (2%) on other income and liable turnover respectively. However, construction income of AEL is not subject to NBT.

12.5 Withholding Tax on Dividends

In general, dividends distributed by resident companies in Sri Lanka out of taxable income to resident or non-resident shareholders are subject to Withholding Tax (WHT) at the rate of ten per centum (10%). The respective entities are required to deduct WHT at source and remit the same to the Department of Inland Revenue.

Other than the WHT referred to above, dividends paid to the shareholders of the Company will not be subject to any other Sri Lankan tax. Dividend income received by a company resident in Sri Lanka from another company resident in Sri Lanka does not form part of statutory income and is therefore not taxable in the hands of the recipient company. Accordingly, dividends received from its subsidiary, ARL, are not subject to any further taxes at AEL level.

TAXATION AND EXCHANGE CONTROL

12.6 Stamp Duty

AEL is liable to pay stamp duty at the rate of Rupees five (Rs. 5/-) for every Rupees thousand (Rs.1,000/-) or part thereof of the aggregate value of the Shares, for the Issue contemplated through this Prospectus and on any new Shares that may be issued in the future in line with current stamp duty regulations.

ARL is liable to pay stamp duty at the rate of one per centum (1%) on the value of the tenant agreements at the time of entering into such agreements.

12.7 Construction Industry Guarantee Fund Levy

AEL is liable to pay a construction industry guarantee fund levy at the rate of one per centum (1%) on the contract value in respect of contracts where the value is more than Rs. 150 million. However, if the contract is defined as a Strategic Development (Specific/Special) Project, by the Ministry of Finance and approved by the Minister, this levy is not applicable.

12.8 Share Transaction Levy

Upon the listing of the Shares of AEL, a transaction tax at the rate of zero decimal three per centum (0.3%) on all share transactions is charged from both the buyer and the seller. This tax is part of the transaction cost charged when trading shares on the CSE. Any profits from the sale of any share on which this tax has been paid is exempt from income tax.

12.9 Exchange Control

The purchase and transfer of shares of a company incorporated in Sri Lanka by a person resident outside Sri Lanka is governed by the Exchange Control Act No. 24 of 1953. Under a permission granted by the Controller of Exchange, a person resident outside Sri Lanka may purchase or transfer up to 100% of the shares of a company subject to certain restrictions and conditions. In terms of the restrictions, the purchase and transfer of shares of companies carrying on certain businesses is prohibited (e.g. pawn broking, money lending) and permitted only up to a certain percentage of shares in some other businesses (e.g. shipping agents, freight forwarders).

Such restrictions do not apply to the business carried on by the Company. It is a condition however, that a non-resident must remit the payment for Shares through a SIA.

Payment for Shares may also be made through a RANSI, FCBU account and RGFCFA by non-resident Sri Lankan citizens as well as foreign citizens resident in Sri Lanka in terms of the applicable exchange control directions.

The operations of SIA, RANSI and RGFCFA are governed by the rules and regulations formulated under the Exchange Control Act. In addition, RGFCFA is subject to the regulations of CBSL and the Department of Immigration and Emigration.

Dividends and proceeds from the sale of shares can be remitted without exchange control permission if the funds for purchase of the said shares have been affected through a SIA or a RANSI. However, if the funds for purchase of the shares have been affected through a RGFCFA, an approval from the Controller of Exchange is required to remit the dividends and proceeds from the sale of shares.

All funds for purchase cost, brokering and bank charges including inward remittances and repatriation of dividends and all credits, sales proceeds and dividend proceeds should be channelled through the SIA/RANSI. Remittances to SIA/RANSI should be backed by documentary evidence of the transaction, giving rise to the said remittance (i.e. dividend warrant, contract note). Such documentation should be produced to the commercial bank at which the respective SIA/RANSI is held. A tax clearance certificate from the Department of Inland Revenue is not required for remittances in respect of remittance of dividends and sales proceeds of shares held in listed companies.

13.0 THE COLOMBO STOCK EXCHANGE

The information presented in this section has been extracted from or based on publicly available documents/sources which have not been prepared or independently verified in connection with the Issue. The information is included for the convenience of investors and is not intended to be a complete description of the Sri Lankan capital market.

13.1 Governance

The CSE is a duly incorporated legal entity in the form of a company limited by guarantee and is licensed by SEC to operate as a Stock Exchange. The board of directors of the exchange is the main policymaking body and consists of nine (09) directors out of which five (05) directors are elected by broker firms of the CSE and the other four (04) directors appointed by the Minister of Finance.

The CSE is structured as a self-regulatory organisation and is a member of the World Federation of Exchanges (WFE) and the South Asian Federation of Exchanges. The CSE provides the infrastructure and the regulatory framework required for the trading of listed securities in Sri Lanka.

The CSE, a mutualised exchange has fifteen (15) members and fourteen (14) trading members at present. Each member and trading member is licensed by the SEC to perform the duties of a stockbroker. All members and trading members are corporate entities and in some cases, subsidiaries of large financial conglomerates such as merchant, commercial and investment banks.

13.2 Branches of the CSE

The CSE at present operates with a network of five branches in Matara, Kandy, Kurunegala, Negombo and Jaffna in addition to the Head Office in Colombo.

13.3 Stock Market Indices

The CSE currently maintains two price indices, All Share Index (ASI) and Milanka Price Index (MPI), two total returns indices and 20 sector indices. The ASI tracks the movement of all listed securities with a base index of 100 set in 1985. The MPI tracks price changes of 25 listed securities, selected based on market capitalisation and liquidity, revised semi-annually.

In January 2004, the CSE also launched two total return indices designed to reflect both price changes and dividend income, in respect of both price indices. The ASI calculated on a total returns basis results in the All Share Total Return Index (ASTRI). The MPI calculated on a total returns basis results in the Milanka Total Return Index (MTRI).

13.4 Trading on the CSE

The CSE operates as an order driven market using a fully automated screen based trading system and a fully automated clearing and settlement system. Facilities for clearing and settlement of securities are provided by the CDS which is a wholly owned subsidiary of the CSE. All parties wishing to trade on the CSE must have CDS accounts.

13.4.1 Trading Sessions

Trading takes place in the CSE from 9.30 a.m. to 2.30 p.m. from Monday to Friday, except for public and bank holidays. The trading session is divided into the following sessions.

Pre-Open Session

During pre-open session (9.00 a.m. to 9.30 a.m.), the system accepts orders. These orders can be amended and cancelled during pre-open. However, no trades take place during this session. Orders during this period are held in the Automated Trading System (ATS) and will be forwarded to the execution engine at the beginning of the open auction session.

Open Auction Session

During the open auction session (9.30 a.m.), the system temporarily closes the order book and starts matching orders. It establishes the opening prices of securities and determines the orders to be executed according to the ATS rules applicable for the open auction period.

Regular Trading Session

During regular trading session (9.30 a.m. to 2.30 p.m.), new orders are continually matched to existing orders in the order book. If an order cannot be executed, it may be stored in the order book, depending on the type of the order.

13.4.2 Size of Trades

The number of shares traded must be in multiples of one hundred and any number less than this will be traded on the odd lot board.

13.4.3 Settlement Procedures

Equity transactions must be settled within three days from the trade date (T+3) for both the buyers and sellers.

13.4.4 Transaction Costs

Transaction cost break up of the CSE is depicted below.

Table 13-1: Transaction Costs		
	On Transactions Up to Rs. 50 million	On Transactions Over Rs. 50 million
Brokerage Fees	0.6400%	Negotiable subject to a minimum of 0.2000%
SEC Cess	0.0720%	0.0450%
CSE Fees	0.0840%	0.0525%
CDS Fees	0.0240%	0.0150%
Share Transaction Levy	0.3000%	0.3000%
Total	1.1200%	0.6125%*

*Based on the minimum Brokerage Fees

Note that the transaction fee due to the broker, CSE, CDS and SEC on intraday trades, where a client buys and sells or sells and buys the same security on the same day, through the same broker will not be charged on one side of the transaction involving lower of the value.

13.5 Performance of the CSE

Table 13-2: Stock Market Statistics							
Year	2005	2006	2007	2008	2009	2010	2011
Cumulative Turnover (Rs. million)	114,599	105,154	104,985	110,454	142,463	570,327	546,256
Average Daily Turnover (Rs. million)	482	436	436	464	594	2,396	2,286
Cumulative Trades	1,100,451	952,382	876,928	776,244	1,266,299	3,355,126	4,579,352
Listed Companies (end of year)	239	237	235	235	231	241	272
Foreign Turnover as Percentage of Total Turnover	22%	33%	39%	54%	31%	19%	11%

Stock Market Statistics							
Year	2005	2006	2007	2008	2009	2010	2011
Cumulative Foreign Purchases (Rs. million)	27,712	37,167	46,797	66,632	43,057	92,426	49,777
Cumulative Foreign Sales (Rs. million)	21,568	31,790	35,543	52,682	43,846	118,761	68,816
Net Foreign Flow (Rs. million)	6,144	5,377	11,254	13,950	(789)	(26,335)	(19,039)
ASI (end of year)	1,922	2,722	2,541	1,503	3,386	6,636	6,074
MPI (end of year)	2,451	3,712	3,292	1,631	3,849	7,061	5,229
Market Capitalisation (end of year - Rs. billion)	584	835	821	489	1,092	2,210	2,214
Trailing Market PER (x) (end of year)	12.4	14.0	11.6	5.4	16.6	25.2	15.8
Market Dividend Yield (end of year)	2.7%	2.2%	2.5%	5.6%	3.0%	1.2%	1.8%
Number of IPOs	3	2	0	1	2	8	14

Year 2009

With the cessation of the three decade long war in May 2009, the country stepped into a new era of economic development. The capital market bounced back strongly following a tranquil period in the previous couple of years, mainly due to renewed investor confidence on business prospects. The ASI rose by 125% in 2009 in comparison to a decline of 7% and 41% in 2007 and 2008 respectively. This outshone the previous record of 118% growth of the ASI recorded in 1991. The MPI closed the year at 3,849.38 points, recording a 136% rise in 2009 compared to its previous record of 51% in 2006. Further, the market capitalisation more than doubled and crossed the Rs. 1 trillion mark, closing the year 2009 at Rs. 1,092 billion in comparison with Rs. 489 billion reported at the end of 2008, highlighting positive investor sentiment.

Further, in year 2009, the CSE achieved the highest turnover for a calander year by recording Rs. 142 billion compared to its previously recorded highest of Rs. 114.6 billion in 2005 marking aggressive investor appetite in the Colombo bourse. The trailing market PER which was 5.4 at the end of 2008 moved up to 16.6 at the end of year 2009 indicating the positive outlook of the equity market. Subsequent to these commendable performances cited in year 2009, the CSE was acknowledged as the “second best performing stock market in the world” by Bloomberg News.

Year 2010

According to the market highlights published by WFE, the CSE ranked first among the top ten performing broad market indices in the first-half of 2010, recording a growth of 89.7%, in comparison to the corresponding period in 2009. Imposition of a daily 10% upward and downward price band by the SEC on all listed securities in August 2010, witnessed a slight contraction in the market. The 10% price band on all shares was lifted by the SEC on September 20, 2010. However, the SEC subsequently directed the CSE to impose a 10% price band on securities which are captured as a result of applying a formula (based on price volatility and volume traded adjusted to public holding of all securities on a daily roll-over basis during a 5 day review period). With these amendments, the market activities started to pick up within a short span, recording and taking the CSE to new heights in terms of indices and turnover. Both ASI and MPI indices continued on its upward momentum and surpassed the 7,000 notch for the first time in the history of the CSE on October 01, 2010.

The rapid rise in the indices during the month of September was followed by a period of stabilisation in the months of October and November. The main contributors to the stabilisation of the indices were profit taking by the investors and the imposition of a deadline for the elimination of stockbroker credit facilities by the SEC. Whilst the initial deadline imposed by the SEC was January 1, 2011, it was later announced that this be implemented in two phases where stockbrokers were required to reduce their existing credit facilities by 50% before March 31, 2011 and the rest before June 30, 2011. The SEC via a Directive dated May 19, 2011, further relaxed the curtailment of stockbroker credit by allowing for the remaining 50% of debtor balances to be cleared in two phases; half of it by September 30, 2011 and the rest by December 31, 2011.

During the year 2010, eight IPOs took place in the market with a total of approximately Rs. 4.3 billion being raised, signifying the willingness of unlisted companies to establish their presence in the CSE. At the end of 2010, the benchmark ASI recorded a growth of 96.01% while MPI grew by 83.44% closing out ASI and MPI at 6,635.87 and 7,061.46 respectively. Year 2010 witnessed the highest in terms of turnover and cumulative trades recorded for a year amongst other statistics, whilst the market capitalisation too recording its highest surpassing the record figures reported in year 2009.

Year 2011

Several rules and regulations were imposed in 2011, in addition to the regulation of stockbroker credit facilities indicated above to clamp down on the use of excessive credit when applying for IPOs and the exposure of the country's financial system to the equity market. This was enacted through a Directive issued by CBSL to all banks where limitations were imposed on the issue of guarantees for the purpose of applying for IPOs. Furthermore, the SEC issued another Directive on March 10, 2011 specifying a minimum allocation of 40% of the shares of an IPO to Retail Individual Investors (individual investors who subscribe for a maximum of 3,000 shares or Rs. 100,000 in a particular share class, whichever is higher) and 10% to unit trusts. The above regulations, whilst disciplining the entire market led to lacklustre investor behaviour resulting in continuously declining indices. The ASI, which recorded its highest ever value of 7,811.82 on February 14, 2011, started its decline signalling a much expected market correction.

Several other prominent factors which contributed to the gradual decline in the indices were the spate of IPOs, which drew significant amounts of liquidity away from the secondary market, and also the plethora of rights issues which attracted significant amounts of funds from the investors. The rights issues carried out by the banking sector, whilst being significant in size, were an absolute necessity in light of the significant growth rates recorded in their respective loan books and hence, gave rise to the need to recapitalise. In August 2011, the SEC, at the request of stockbroker firms, made a decision to permit licensed stockbroker firms to grant credit based on their liquid asset holdings, subject to meeting certain prudential requirements. The market viewed this as a progressive step by the regulator and reacted positively.

On September 14, 2011, the SEC issued in a Directive to ensure that entities that make an Initial Listing Application for a particular share class, a minimum allotment of 40% of the offered shares or shares to the maximum value of Rs. 1.5 billion whichever is lower, are to be initially made available for allotment to Retail Individual Investors. With a view to facilitate fair allotment of shares to the Retail Individual Investors in large scale IPOs, the definition of Retail Individual Investors was revised to accommodate subscription up to a value of Rs. 200,000 in case of IPOs with a value of Rs. 3 billion or above. Further, as per the above Directive, smaller subscribers within the Retail Individual Investor are to be given priority in determining the basis of allotment in an IPO.

Notwithstanding the abovementioned correction and gradual decline in the market indices due to the general sluggish behaviour and volatility in the overall market towards the latter part of the year, it is noteworthy that the companies listed on the CSE have recorded extremely strong growth and reported healthy financial performance and stability. Therefore, given the strong macroeconomic fundamentals and the favourable business environment, the market is poised to tread into a new phase of sustainable growth in the long run. This in turn would facilitate a solid platform for unlisted companies to enter into the capital market to fulfil their funding needs.

14.0 STATUTORY DECLARATIONS

14.1 Signing of Prospectus and Statutory Declaration by the Directors

We the undersigned, who are named in the Prospectus as Directors of AEL, hereby declare and confirm that we have read the provisions of the CSE Listing Rules and of the Companies Act No. 07 of 2007 and any amendments to it relating to the issue of this Prospectus and those provisions have been complied with.

This Prospectus has been seen and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquires and to the best of our knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or inaccurate. Where representations regarding the future performance of AEL have been given in the Prospectus, such representations have been made after due and careful enquiry of the information available to AEL and making assumptions that are considered to be reasonable at the present point in time in our best judgement.

Name	Designation	Date	Place	Signature
Mr. Sumal Joseph Sanjiva Perera	Chairman/CEO	February 9, 2012	Colombo	Sgd.
Mr. Joseph Christopher Joshua	Executive Director	February 9, 2012	Colombo	Sgd.
Mr. Ranjan John Suriyakumar Gomez	Non-Executive Director	February 9, 2012	Colombo	Sgd.
Mr. Dalpadoruge Anton Rohana Fernando	Executive Director/COO	February 9, 2012	Colombo	Sgd.
Mr. Shevantha Harindra Sudharaka Mendis	Executive Director/ Director - Business Development	February 9, 2012	Colombo	Sgd.
Mr. Thiththalapitige Anton Gratian Fernando	Executive Director/ Director - Projects	February 9, 2012	Colombo	Sgd.
Mr. Saumaya Dharshana Munasinghe	Executive Director/ Director - Business Development	February 9, 2012	Colombo	Sgd.
Mr. Alexis Indrajit Lovell	Independent Non-Executive Director	February 9, 2012	Colombo	Sgd.
Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe	Independent Non-Executive Director	February 9, 2012	Colombo	Sgd.
Mr. Niroshan Dakshina Gunaratne	Independent Non-Executive Director	February 9, 2012	Colombo	Sgd.

STATUTORY DECLARATIONS

14.2 Statutory Declaration by Financial Advisors and Lead Managers to the Issue

February 9, 2012

We, NDB Investment Bank Limited, of No. 40, Navam Mawatha, Colombo 02 being the Financial Advisors and Lead Managers to the Issue of AEL, hereby declare and confirm to the best of our knowledge and belief the Prospectus constitutes full and true disclosure of all material facts about the Issue and AEL, whose Ordinary Voting Shares are being issued.

The Common Seal of NDB Investment Bank Limited affixed on this 9th day of February 2012 at Colombo in the presence of two Directors.

Sgd.
Director

Sgd.
Director

14.3 Statutory Declaration by Co-Managers to the Issue

February 9, 2012

We, John Keells Capital, a division of John Keells Holdings PLC, of No. 130, Glennie Street, Colombo 02 being the Co-Managers to the Issue of Access Engineering Limited, hereby declare and confirm to the best of our knowledge and belief, based on the information provided to us by the Company, the Prospectus constitutes full and true disclosure of all material facts about the Issue and Access Engineering Limited, whose Ordinary Voting Shares are being issued.

Sgd.
Director

Sgd.
Director

14.4 Statutory Declaration by the Company

February 9, 2012

An application has been made to the CSE for permission to deal in and for a listing for all of the Ordinary Voting Shares issued by the Company and those Ordinary Voting Shares which are the subject of this Issue. Such permission will be granted when shares are listed on the CSE. The CSE assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports included in this Prospectus. Listing on the CSE is not to be taken as an indication of the merits of the Company or of the Shares issued.

The Common Seal of AEL of Sri Lanka affixed on this 9th day of February 2012 at Colombo in the presence of two Directors.

Sgd.
Director

Sgd.
Director

15.0 FINANCIAL STATEMENTS AND AUDITORS' REPORT

15.1 Accountants' Report for Inclusion in the Prospectus



KPMG Ford, Rhodes, Thornton & Co.
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186,
Colombo 00300,
Sri Lanka.

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+94 - 11 542 6426
Fax : +94 - 11 244 5872
+94 - 11 244 6058
+94 - 11 254 1249
+94 - 11 230 7345
Internet : www.lk.kpmg.com

2nd February 2012

The Board of Directors
Access Engineering Limited
Access Towers
278, Union Place
Colombo 02.

Dear Sirs,

ACCOUNTANTS' REPORT FOR INCLUSION IN THE PROSPECTUS OF ACCESS ENGINEERING LIMITED

This report has been prepared for the inclusion in the Prospectus issued in connection with the initial public offering of 20,000,000 new ordinary voting shares of Access Engineering Limited.

We have prepared this report based on audited Financial Statements of Access Engineering Limited (Company) and the consolidated Financial Statements of the Company and its subsidiary "Group" for the five years period ended 31st March 2011.

1. INCORPORATION

Access Engineering Limited, a limited liability Company incorporated on 31st July 2001 under provisions of Companies Act No. 17 of 1982 and it was reregistered under the provision of the Companies Act No. 07 of 2007.

2. APPOINTMENT OF AUDITORS

We were appointed Auditors of Access Engineering Limited with effect from the year ended 31st March 2007. Previously the Company was audited by another firm of Chartered Accountants.

3. FINANCIAL STATEMENTS

3.1 Five Year Summary of Financial Statements

A summary of the audited Income Statements, Balance Sheets, Statements of Changes in Equity and Cash Flow Statements of Access Engineering Limited for the years ended 31st March 2007 to 31st March 2011 based on the audited Financial Statements are set out in Section 15.2 of the Prospectus.

Foretree Investments Limited was a subsidiary of Access Engineering Limited from 31st March 2008 up to 03rd December 2009, until Access Engineering Limited disposed the holding in Foretree Investments Limited in its entirety. Access Realities (Private) Limited remains a subsidiary of Access Engineering Limited since 31st October 2008.

Thus, the summary of the Group's audited consolidated Income Statements, Balance Sheets, Statements of Changes in Equity and Cash Flow Statements of the Group for the financial years ended 31st March 2008 to 31st March 2009, based on the audited financial statements set out in Section 15.2 of the Prospectus includes both Foretree Investments Limited and Access Realities (Private) Limited.

KPMG Ford, Rhodes, Thornton & Co. is a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International") a Swiss entity.

A. N. Fernando FCA
P. Y. S. Perera FCA
W. W. J. C. Perera FCA
W. K. D. C. Abeysinghe ACA
Principals - S. R. I. Perera ACMA, LL.B., Attorney-at-Law, H.S. Goonewardene ACA
M. R. Mihula FCA
C. P. Jayatilake FCA
Ms. S. Joseph FCA
S. T. D. L. Perera FCA
Ms. M. P. Perera FCA
T. J. S. Rajakari FCA
Ms. S. M. B. Jayasinghe ACA
C. A. J. Karunaratne ACA



3.2 Audited Financial Statements for the Year Ended 31st March 2011

Our audit report on the financial statements as at 31st March 2011 and for the year then ended together with such financial statements comprising the Income Statement, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement along with the accounting policies and notes thereon is given in Section 15.3 of the Prospectus. We have audited these financial statements and our report dated 20th May 2011 is attached to the financial statements set out in section 15.3.

3.3 Audit Report

We have audited the Financial Statements of the Company and the Group for the years ended 31st March 2007 to 31st March 2011. Unqualified audit opinion has been issued for the said financial years.

3.4 Accounting Policies

The Financial Statements of the Company and the Group for the period 31st March 2007 to 31st March 2011 comply with the Sri Lanka Accounting Standards.

The accounting policies of the Company and the Group are stated in detail in the audited Financial Statements of Access Engineering Limited and its subsidiary for the year ended 31st March 2011. Changes in the accounting policies of the Company and the Group since 31st March 2007 to 31st March 2011 are given below.

Year	Changes in Accounting Policies
2006/07	There were no material changes
2007/08	Except for the following there were no material accounting policy changes to the Financial Statements. The Company has adopted the following revised Sri Lanka Accounting Standards during the year a) SLAS – 03 (revised) Presentation of Financial Statements b) SLAS – 12 (revised) Events After the Balance Sheet Date c) SLAS – 14 (revised) Income Tax d) SLAS – 18 (revised) Property, Plant and Equipment e) SLAS – 19 (revised) Leases f) SLAS – 21 (revised) The Effect of Changes in Foreign Exchange Rates g) SLAS – 30 (revised) Related Party Disclosures
2008/09	There were no material changes
2009/10	Except for the following there were no material accounting policy changes to the Financial Statements. The Company has made changes to be in compliance with Sri Lanka Accounting Standard 16 – Employee Benefits (revised 2006). As a result, the gratuity liability was using an Actuarial to value the obligations.
2010/11	There were no material changes.



3.5 Dividends

The Company declared dividends in respect of Ordinary Shares in the financial years up to 31st March 2011 as follows;

Year	Number of Shares in Issue	Dividend (Rs.)	Dividends Per Share (Rs.)
2006/07	20,000,000	Nil	Nil
2007/08	20,000,000	50,000,000/-	2.50
2008/09	100,000,000	186,000,000/-	1.86
2009/10	100,000,000	200,000,000/-	2.00
2010/11	600,000,000	162,000,000/-	0.27*

* This is based on the number of Shares in issue as at 31st March 2011. During the year ended 31st March 2011 the company's Stated Capital was increased from Rs. 1,000,000,000/- to Rs. 3,000,000,000/- and number of ordinary shares was increased from 100,000,000 to 600,000,000.

3.6 Events After the Balance Sheet Date

- Pursuant to resolution adopted on 09th May 2011, the Board of Directors of the Company approved the payment of an interim dividend of twenty seven cents (0.27 cents) per share for the year ended 31st March 2011.
- Pursuant to a ordinary resolution adopted on 11th May 2011 at a Extra Ordinary General Meeting, Shareholders of the Company resolved that an amount of Rs. 1,000,000,000/- be transferred from Reserve accounts (Retained Earnings Rs. 800,000,000/- and Revaluation Reserve Rs. 200,000,000) to the Stated Capital and the said amount be utilized to make a bonus issue of 200,000,000 shares allotted and issued to the existing shareholders of the Company on 1:3 basis (one new share issued for each existing three shares).
- Through the board resolution dated 25th May 2011 and the prospectus dated 30th May 2011, Company has issued 180,000,000 new ordinary voting shares worth Rs. 4,500,000,000 to selected investors. This increased stated capital of the company to Rs. 8,500,000,000 and total number of ordinary shares issued to 980,000,000.

Yours faithfully,

CHARTERED ACCOUNTANTS
CPJ/DR

15.2 Five Year Summary of Financial Statements

ACCESS ENGINEERING LIMITED
FIVE YEAR SUMMARY
INCOME STATEMENT

For the Year Ended 31 March

	Group					Company				
	2008	2009	2010	2011	2011	2007	2008	2009	2010	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Turnover	2,468,944,061	3,437,032,192	3,175,295,676	3,650,698,835	1,566,630,498	2,468,944,061	3,384,655,060	3,032,501,395	3,518,039,270	
Cost of Sales	(1,915,444,620)	(2,605,531,099)	(2,274,983,974)	(2,354,891,731)	(1,299,171,965)	(1,915,444,620)	(2,589,115,139)	(2,259,528,836)	(2,319,484,339)	
Gross Profit	553,499,441	831,501,093	900,311,702	1,295,807,104	267,458,533	553,499,441	795,539,921	772,972,559	1,198,554,932	
Gain from Fair Value of Investment Property	-	1,973,576	8,987,356	290,977,447	-	-	-	-	-	
Other Income	3,080,041	6,976,779	6,891,034	24,548,140	1,244,147	3,080,041	22,433,587	89,416,984	175,766,019	
Administrative Expenses	(157,680,360)	(205,324,493)	(219,460,647)	(249,804,846)	(122,157,642)	(157,680,360)	(194,817,614)	(200,896,183)	(243,837,463)	
Distribution Expenses	-	(242,050)	-	-	-	-	-	-	-	
Other Expenses	(16,535,488)	(31,875,706)	(12,141,613)	(17,269,791)	(7,602,063)	(16,535,488)	(31,599,772)	(12,138,880)	(17,269,791)	
Profit from Jointly Controlled Operations	10,492,175	382,468,052	289,839,845	14,399,517	-	10,492,175	382,468,052	289,839,845	14,399,517	
Finance Income/(Cost)	4,403,303	(14,169,260)	22,033,595	21,895,788	(5,508,384)	4,403,303	(13,711,501)	22,098,427	16,538,205	
Share of Profit of Equity Accounted Investees (Net of Income Tax)	-	11,643,269	-	-	-	-	-	-	-	
Loss on Sale of Subsidiary	-	-	(8,380,245)	-	-	-	-	-	-	
Profit / (Loss) Before Tax	397,259,112	982,951,260	989,081,027	1,380,553,359	133,434,591	397,259,112	960,312,673	961,292,752	1,144,151,419	
Taxation	(69,982,250)	(114,808,786)	(137,757,733)	(213,246,819)	(30,389,087)	(69,982,250)	(114,651,536)	(135,950,731)	(208,299,898)	
Net Profit / (Loss) After Tax	327,276,862	868,142,474	850,323,294	1,167,306,540	103,045,504	327,276,862	845,661,137	825,342,021	935,851,522	
Profit Attributable to:										
Equity Holders of the Parent	327,276,862	858,560,970	807,680,510	961,805,268	103,045,504	327,276,862	845,661,137	825,342,021	935,851,522	
Minority Interest	-	9,581,504	42,642,784	205,501,273	-	-	-	-	-	
	327,276,862	868,142,474	850,323,294	1,167,306,541	103,045,504	327,276,862	845,661,137	825,342,021	935,851,522	

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED
FIVE YEAR SUMMARY
BALANCE SHEET
 As at 31 March

	Group			Company			2011 Rs.	2010 Rs.	2011 Rs.
	2008 Rs.	2009 Rs.	2010 Rs.	2007 Rs.	2008 Rs.	2009 Rs.			
ASSETS									
Non-Current Assets									
Property, Plant and Equipment	387,576,506	395,507,934	354,885,432	347,821,165	372,338,253	373,701,441	350,232,853	1,224,126,696	
Investment Property	-	2,304,736,585	2,313,723,941	-	-	-	-	-	
Biological Assets	807,020	891,100	-	-	-	-	-	-	
Land Development Cost	3,251,757	3,991,551	-	1,500,000	1,500,000	-	-	-	
Long Term Investment	1,500,000	-	-	-	-	1,645,640,800	1,738,140,800	2,696,901,280	
Investment in Subsidiary	600,000,000	-	-	-	600,000,000	-	-	-	
Investment in Associate	4,125,886	209,025,552	215,699,963	-	-	-	-	-	
Goodwill	6,155,807	3,603,330	-	-	6,155,807	3,603,330	-	-	
Deferred Taxation	1,003,416,976	2,917,756,052	2,884,309,336	349,321,165	1,007,494,060	2,022,945,571	2,088,373,653	3,921,027,976	
Current Assets									
Short Term Investments	1,342,347	875,067	1,171,215	1,530,210	1,342,347	875,067	1,171,215	3,120,076	
Inventories	255,643,851	351,386,811	112,133,547	292,639,771	255,643,851	351,386,811	112,133,547	312,423,317	
Trade and Other Receivables	301,349,639	351,765,394	560,569,932	318,279,044	301,017,413	324,706,014	623,512,505	997,986,742	
Amount Due from Related Parties	226,238,880	14,513,649	237,454,950	3,803,922	226,238,880	19,343,107	334,481,100	221,173,278	
Short Term Deposits	79,160,433	92,018,756	99,054,035	120,042,836	76,538,579	92,018,756	99,054,035	96,290,109	
Cash and Cash Equivalents	85,537,886	193,376,193	491,413,995	59,382,822	85,495,888	148,125,204	286,310,998	199,106,020	
	949,257,036	1,003,935,870	1,501,802,674	795,678,605	946,276,958	936,454,959	1,456,663,400	1,830,099,542	
Total Assets	1,952,670,012	3,921,691,922	4,386,112,010	1,144,999,770	1,953,771,018	2,959,400,530	3,545,037,053	5,751,127,518	
EQUITY AND LIABILITIES									
Capital and Reserves									
Stated Capital	200,000,000	1,000,000,000	1,000,000,000	200,000,000	200,000,000	1,000,000,000	1,000,000,000	3,000,000,000	
Retained Earnings	568,572,294	1,375,136,178	1,954,130,496	241,295,432	568,572,294	1,364,233,431	2,003,575,452	1,139,426,974	
Revaluation Reserve	768,572,294	2,375,136,178	2,954,130,496	441,295,432	768,572,294	2,364,233,431	3,003,575,452	228,063,987	
Minority Interest	3,374,145	909,831,965	812,490,357	-	-	-	-	-	
Total Equity	771,946,439	3,284,968,143	3,766,620,853	441,295,432	768,572,294	2,364,233,431	3,003,575,452	4,367,490,961	
Non-Current Liabilities									
Non-Interest Bearing Borrowings	264,803,988	237,303,988	-	19,500,000	264,803,988	237,303,988	-	-	
Interest Bearing Borrowings	30,477,919	36,009,165	19,252,305	71,574,640	30,477,919	35,931,927	19,252,305	452,828,967	
Employee Benefit	11,043,750	34,763,604	18,473,441	3,481,075	11,043,750	32,727,392	17,269,573	23,123,143	
Deferred Revenue	3,418,750	-	-	-	-	-	-	-	
Deferred Taxation	309,744,407	308,076,757	871,175	94,555,715	306,325,657	305,963,307	871,175	44,185,273	
Current Liabilities									
Dividend Payable to Minority	-	-	39,548,870	-	-	-	-	-	
Interest Bearing Borrowings	58,070,946	24,028,654	16,677,501	63,506,846	58,070,946	23,747,390	16,677,501	171,755,936	
Trade and Other Payables	713,160,166	199,722,678	470,630,876	545,481,759	711,299,880	158,207,231	433,414,612	570,718,747	
Income Tax Payable	43,027,766	55,978,641	24,373,588	43,019,634	43,019,634	57,145,636	24,346,410	102,371,611	
Amount Due to Related Parties	50,023,261	38,848,202	15,082,221	158,291	59,785,580	40,034,688	15,048,845	1,313,108	
Bank Overdraft	6,697,027	10,068,847	14,581,180	1,727	6,697,027	10,068,847	14,581,180	17,339,772	
	870,979,166	328,647,022	580,894,236	605,148,623	878,873,067	289,203,792	504,068,548	863,499,174	
Total Equity and Liabilities	1,952,670,012	3,921,691,922	4,386,112,010	1,144,999,770	1,953,771,018	2,959,400,530	3,545,037,053	5,751,127,518	

DGM Finance

The above summarised financial information and its extraction from audited financial statements, is the responsibility of the Board of Directors


 Director


 Director

Colombo
 03rd February 2012

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED FIVE YEAR SUMMARY STATEMENT OF CHANGES IN EQUITY

Group	Attributable to Equity Holders of the Parent				Minority Interest Rs.	Total Rs.
	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.		
Balance as at 01 st April 2007	200,000,000	-	241,295,432	441,295,432	-	441,295,432
On Acquisition of Subsidiary	-	-	-	-	3,374,145	3,374,145
Profit for the Period	-	-	327,276,862	327,276,862	-	327,276,862
Balance as at 31st March 2008	200,000,000	-	568,572,294	768,572,294	3,374,145	771,946,439
Balance as at 1 st April 2008	200,000,000	-	568,572,294	768,572,294	3,374,145	771,946,439
Issue of Shares	800,000,000	-	-	800,000,000	-	800,000,000
On Acquisition of Subsidiary	-	-	-	-	949,922,888	949,922,888
Profit for the Period	-	-	858,560,970	858,560,970	9,581,504	868,142,474
Dividend Paid	-	-	(50,000,000)	(50,000,000)	-	(50,000,000)
Adjustments to Negative Minority Interest	-	-	(1,997,086)	(1,997,086)	1,997,086	-
Dividend Paid by Subsidiary	-	-	-	-	(55,043,659)	(55,043,659)
Balance as at 31st March 2009	1,000,000,000	-	1,375,136,178	2,375,136,178	909,831,964	3,284,968,143
Balance as at 1 st April 2009	1,000,000,000	-	1,375,136,178	2,375,136,178	909,831,964	3,284,968,143
Profit for the Period	-	-	807,680,510	807,680,510	42,642,785	850,323,295
Adjustment Due to Change in Holding	-	-	(42,686,191)	(42,686,191)	(73,466,510)	(116,152,701)
Dividend Paid	-	-	(186,000,000)	(186,000,000)	-	(186,000,000)
Dividend Paid to Minority	-	-	-	-	(66,517,882)	(66,517,882)
Balance as at 31st March 2010	1,000,000,000	-	1,954,130,497	2,954,130,497	812,490,357	3,766,620,855
Balance as at 1 st April 2010	1,000,000,000	-	1,954,130,497	2,954,130,497	812,490,357	3,766,620,855
Revaluation Surplus	-	628,063,987	-	628,063,987	-	628,063,987
Bonus Shares Issued During the Year	2,000,000,000	(400,000,000)	(1,600,000,000)	-	-	-
Profit for the Period	-	-	961,805,268	961,805,268	205,501,273	1,167,306,540
Adjustment Due to Change in Holding	-	-	-	-	(979,161,831)	(979,161,831)
Dividend Paid	-	-	(200,000,000)	(200,000,000)	-	(200,000,000)
Dividend Paid to Minority	-	-	-	-	(38,829,798)	(38,829,798)
Balance as at 31st March 2011	3,000,000,000	228,063,987	1,115,935,765	4,343,999,752	-	4,343,999,753

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

FIVE YEAR SUMMARY

STATEMENT OF CHANGES IN EQUITY

Company	Stated Capital Rs.	Revaluation Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 1 st April 2006	200,000,000	-	138,249,928	338,249,928
Net Profit for the Year	-	-	103,045,504	103,045,504
Balance as at 31st March 2007	200,000,000	-	241,295,432	441,295,432
Balance as at 1 st April 2007	200,000,000	-	241,295,432	441,295,432
Net Profit for the Year	-	-	327,276,862	327,276,862
Balance as at 31st March 2008	200,000,000	-	568,572,294	768,572,294
Balance as at 1 st April 2008	200,000,000	-	568,572,294	768,572,294
Issue of Shares	800,000,000	-	-	800,000,000
Net Profit for the Year	-	-	845,661,137	845,661,137
Dividend Paid	-	-	(50,000,000)	(50,000,000)
Balance as at 31st March 2009	1,000,000,000	-	1,364,233,431	2,364,233,431
Balance as at 1 st April 2009	1,000,000,000	-	1,364,233,431	2,364,233,431
Net Profit for the Year	-	-	825,342,021	825,342,021
Dividend Paid	-	-	(186,000,000)	(186,000,000)
Balance as at 31st March 2010	1,000,000,000	-	2,003,575,452	3,003,575,452
Balance as at 1 st April 2010	1,000,000,000	-	2,003,575,452	3,003,575,452
Revaluation Surplus	-	628,063,987	-	628,063,987
Bonus Shares Issued During the Year	2,000,000,000	(400,000,000)	(1,600,000,000)	-
Net Profit for the Year	-	-	935,851,522	935,851,522
Dividend Paid	-	-	(200,000,000)	(200,000,000)
Balance as at 31st March 2011	3,000,000,000	228,063,987	1,139,426,974	4,367,490,961

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED
FIVE YEAR SUMMARY
CASH FLOW STATEMENT
 For the Year Ended 31 March

	2008	2009	2010	2011	2007	2008	2009	2010	2011	2010	2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
CASH FLOW FROM OPERATING ACTIVITIES											
Net Profit Before Income Tax Expense	397,259,112	982,951,260	988,081,027	1,390,553,359	133,434,591	397,259,112	960,312,673	961,292,752	1,144,151,419		
Adjustments for											
Depreciation	93,851,079	138,428,008	109,223,236	139,391,001	94,637,465	93,851,079	123,003,550	106,992,573	139,128,200		
Investment Properties	(2,304,736,585)	23,719,854	(14,391,913)	10,377,908	1,984,025	7,762,675	21,683,642	(13,559,569)	6,908,448		
Provision for Gratuity	7,762,675	250,000	(296,148)	415,224	372,321	187,863	1,967,280	(296,148)	415,224		
Write-off of ERP Work in Progress	187,863	1,874,568	4,319,983	(5,200,541)	-	-	1,874,568	4,319,983	(5,200,541)		
Provision for Fall in Value of Investment	-	-	-	13,843,107	-	-	-	-	13,843,107		
Provision/(Reversal) for Bad and Doubtful Debts	-	-	-	9,143,509	-	-	-	-	9,143,509		
Provision/(Reversal) for Related Party Receivable	-	-	-	(10,827,223)	-	-	-	-	(10,827,223)		
Impairment Loss in Property, Plant and Equipment	(2,101,351)	(5,500,409)	(1,008,239)	(939,890)	(63,975)	(2,101,351)	(5,500,409)	(1,008,239)	(939,890)		
(Profit)/Loss on Sale of Investment	-	8,380,245	-	-	1,516,735	-	-	24,750,000	-		
Amortisation of Deferred Revenue	-	(3,418,750)	-	-	-	-	-	-	-		
Biological Assets	-	(84,080)	-	-	-	-	-	-	-		
Goodwill Written-off	-	(204,899,666)	-	-	-	-	-	-	-		
Gain on Investment Property Revaluation	-	-	(8,987,356)	-	-	-	-	-	-		
Land Development Cost	-	(739,794)	-	-	-	-	-	-	-		
Dividend Income	(18,469)	(1,112)	-	(21,895,788)	(205,942)	(18,469)	(15,751,112)	(112,151,828)	(151,301,740)		
Net Finance (Income)/Cost	(4,403,303)	14,169,260	(22,033,595)	1,223,883,619	5,508,384	(4,403,303)	13,711,501	(22,038,427)	(16,538,205)		
Operating Profit Before Working Capital Changes	492,537,606	(1,356,020,166)	1,063,287,240	2,234,883,619	234,188,604	492,537,606	1,101,301,693	948,241,097	1,128,762,708		
(Increase)/Decrease in Inventories	36,995,920	(95,742,960)	239,253,264	(200,289,770)	(71,703,628)	36,995,920	(95,742,960)	239,253,264	(200,289,770)		
(Increase)/Decrease in Trade and Other Receivables	17,261,631	(52,290,323)	(219,921,543)	(443,484,457)	(220,671,472)	17,261,631	(39,406,276)	(303,126,474)	(376,324,665)		
(Increase)/Decrease in Trade and Other Payables	171,098,084	(513,437,488)	270,908,198	1,24,308,474	226,083,645	171,098,084	(563,092,649)	275,207,381	137,304,136		
(Increase)/Decrease in Due from Related Parties	(222,434,958)	211,725,231	(209,098,194)	1,35,529,099	6,195,998	(222,434,958)	220,738,880	(315,137,993)	99,464,715		
(Increase)/Decrease in Due to Related Parties	59,627,289	(111,175,059)	(23,765,981)	(13,561,972)	(15,195,998)	59,627,289	(19,750,892)	(24,985,843)	(13,735,737)		
Cash Generated From / (Used in) Operations	555,085,572	(1,816,940,765)	1,120,662,984	826,384,993	158,892,149	555,085,572	614,047,796	819,451,432	775,201,387		
Interest Paid	(13,363,329)	(21,368,493)	(6,944,456)	(6,523,815)	(4,044,195)	(13,363,329)	(26,647,922)	(6,879,624)	(6,523,815)		
Tax Paid	(38,398,385)	(99,224,226)	(162,624,866)	(74,061,369)	(38,605,947)	(38,398,385)	(97,930,558)	(161,026,778)	(74,061,369)		
Gratuity Paid	(200,000)	-	(1,898,250)	(1,054,878)	(168,000)	(200,000)	-	(1,898,250)	(1,054,878)		
Net Cash From / (Used in) Operating Activities	503,123,858	(1,937,533,484)	949,195,412	744,744,931	116,074,007	503,123,858	489,426,816	649,646,780	683,561,326		
CASH FLOW FROM INVESTING ACTIVITIES											
Shares Issued	-	800,000,000	-	(401,949,289)	-	-	800,000,000	-	(401,562,485)		
Acquisition of Property, Plant and Equipment	(100,476,892)	(152,273,196)	(83,714,264)	-	(214,267,604)	(100,476,892)	(130,280,498)	(83,539,553)	-		
Acquisition of Associate	(600,000,000)	-	-	-	-	(600,000,000)	-	-	-		
Acquisition of Subsidiary	(27,478,002)	1,549,922,888	(120,000,000)	-	-	(27,500,000)	(1,018,140,800)	(120,000,000)	-		
Proceeds from Disposal of Property, Plant and Equipment	6,566,771	11,414,169	1,023,807	18,287,738	350,725	6,566,771	11,414,169	1,023,807	18,287,738		
Proceeds from Disposal of Investment	43,504,257	-	2,750,000	7,115,750	(107,023,493)	43,504,257	-	2,750,000	7,115,750		
Investments in Shares	-	-	-	(979,161,831)	(367,817)	-	-	-	-		
Payment for Shares Acquired from Minority	-	-	(26,969,012)	(78,378,668)	-	-	-	-	-		
Investments Paid to Minority	-	(95,043,659)	-	-	-	-	-	-	-		
Investments in Subsidiary Company	-	(12,868,323)	(7,035,280)	(2,364,085)	-	-	-	-	-		
Investments in Short Term Deposit	18,469	1,112	-	-	205,942	18,469	15,751,112	(7,035,279)	(2,364,085)		
Dividend Income	26,688,266	13,253,318	28,978,051	29,284,619	4,901,653	26,688,266	12,936,421	28,978,051	23,927,036		
Interest Income	-	(50,000,000)	(186,000,000)	(200,000,000)	-	-	(50,000,000)	(186,000,000)	(200,000,000)		
Dividends Paid	(651,177,131)	2,104,416,309	(390,966,698)	(1,607,165,766)	(316,190,594)	(651,199,129)	(373,799,773)	(251,671,146)	(1,371,263,518)		
Net Cash Flows Used in Investing Activities											
CASH FLOW FROM FINANCING ACTIVITIES											
Disposal of Shares in Asia Pacific Golf Course Ltd.	-	-	-	-	-	-	-	-	-		
Loan Obtained During the Year	260,303,988	42,222,100	-	610,000,000	50,000,000	260,303,988	30,000,000	-	610,000,000		
Loan Repayments to Directors	(15,000,000)	(27,500,000)	(237,303,888)	-	85,000,000	(15,000,000)	(23,000,000)	(237,303,888)	-		
Loan Repayments to Shareholders	(42,500,000)	(48,437,250)	(5,049,806)	(10,189,636)	(7,083,334)	(42,500,000)	(40,715,150)	(5,049,806)	(10,189,636)		
Lease Rentals Paid	(35,310,950)	(28,681,158)	(22,344,451)	(12,071,742)	(22,061,635)	(35,310,950)	(32,654,396)	(21,948,379)	(12,071,742)		
Net Cash Flows From / (Used in) Financing Activities	167,493,038	(62,396,338)	(284,698,245)	587,738,622	105,855,031	167,493,038	(56,369,546)	(284,302,173)	587,738,622		
Net Increase / (Decrease) in Cash and Cash Equivalent	19,439,765	104,486,487	293,530,469	(274,682,212)	(94,261,556)	19,439,767	59,257,497	133,673,461	(89,963,570)		
Cash and Cash Equivalent at the Beginning of the Year	59,381,094	78,820,859	183,307,346	476,837,815	153,642,650	59,381,094	78,798,861	138,056,357	271,729,818		
Cash and Cash Equivalent at the End of the Year	78,820,859	183,307,346	476,837,815	202,155,603	59,381,094	78,798,861	138,056,358	271,729,818	181,766,248		

15.3 Audit Report and Financial Statements as at March 31, 2011



KPMG Ford, Rhodes, Thornton & Co.
(Chartered Accountants)
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACCESS ENGINEERING LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of Access Engineering Limited (the Company), and the Consolidated Financial Statements of the Company and its Subsidiary (the Group) as at 31st March 2011, which comprise the Balance Sheet as at that date, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on these Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

Company

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2011 and the Financial Statements give a true and fair view of the Company's state of affairs as at 31st March 2011 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

KPMG Ford, Rhodes, Thornton & Co. is a Sri Lankan Partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG Network, a Swiss entity.

A. N. Fernando FCA
D. S. Perera FCA
W. W. J. C. Perera FCA
W. K. D. Abeyaratne ACA

M. R. Mihula FCA
G. P. Jayatilake FCA
Ms. S. Joseph FCA
S. T. D. Perera FCA

Ms. M. R. Perera FCA
T. J. S. Rajakarier FCA
Ms. S. M. B. Jayasakara ACA
G. A. J. Karunaratne ACA

Principals - S. R. I. Perera ACMA, C.B. Attorney-at-Law, H. S. Goonewardene ACA



Group

In our opinion, the Consolidated Financial Statements give a true and fair view of the state of affairs as at 31st March 2011 and the profit and cash flows for the year then ended, in accordance with Sri Lanka Accounting Standards, of the Company and its subsidiary dealt with thereby, so far as concerns the shareholders of the Company.

Report on Other Legal and Regulatory Requirements

These Financial Statements also comply with the requirements of Section 153(2) to 153(7) of the Companies Act No. 07 of 2007.

A handwritten signature in black ink, written in a cursive style. The signature is written over a horizontal line that slopes downwards from left to right.

CHARTERED ACCOUNTANTS

20th May 2011

Colombo

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

INCOME STATEMENT

For the Year Ended 31 March 2011

	Note	Group		Company	
		2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Turnover	8	3,650,698,835	3,175,295,676	3,518,039,270	3,032,501,395
Cost of Sales		(2,354,891,731)	(2,274,983,974)	(2,319,484,339)	(2,259,528,836)
Gross Profit		1,295,807,104	900,311,702	1,198,554,932	772,972,559
Net Gain from Fair Value Adjustment of Investment Property	16	290,977,447	8,987,356	-	-
Other Income	9	24,548,140	(2,548,877)	175,766,019	84,713,045
Administrative Expenses		(249,804,846)	(219,460,647)	(243,837,463)	(200,896,183)
Other Expenses		(17,269,791)	(12,141,613)	(17,269,791)	(12,138,880)
Profit from Jointly Controlled Operations	10	14,399,517	289,839,845	14,399,517	289,839,845
Net Finance Income / (Cost)	11	21,895,788	31,473,506	16,538,205	26,802,366
Loss on Sale of Subsidiary		-	(8,380,245)	-	-
Profit Before Tax	12	1,380,553,359	988,081,027	1,144,151,419	961,292,752
Income Tax Expenses	13	(213,246,819)	(137,757,733)	(208,299,898)	(135,950,731)
Profit for the Year		1,167,306,540	850,323,294	935,851,522	825,342,021
Profit Attributable to;					
Equity Holders of the Parent		961,805,268	807,680,510	935,851,522	825,342,021
Minority Interest		205,501,273	42,642,784	-	-
		1,167,306,540	850,323,294	935,851,522	825,342,021
Earnings Per Share	14.1	1.20	1.01	1.17	1.03
Earnings Per Share	14.2	9.62	8.08	9.36	8.25

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

Figures in brackets indicate deductions.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

BALANCE SHEET

As at 31 March 2011

	Note	Group		Company	
		2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	15	1,228,903,278	354,885,432	1,224,126,696	350,232,853
Investment Properties	16	2,800,000,000	2,313,723,941	-	-
Investment in Subsidiary	17	-	-	2,696,901,280	1,738,140,800
Other Long Term Investments	18	-	-	-	-
Goodwill	19	-	215,699,963	-	-
Total Non-Current Assets		4,028,903,278	2,884,309,336	3,921,027,976	2,088,373,653
Current Assets					
Short Term Investments	20	3,120,076	1,171,215	3,120,076	1,171,215
Inventories	21	312,423,317	112,133,547	312,423,317	112,133,547
Trade and Other Receivables	22	1,013,369,402	560,569,932	997,986,742	623,512,505
Amount Due from Related Parties	23	88,082,744	237,454,950	221,173,278	334,481,100
Short Term Deposits		96,290,109	99,054,035	96,290,109	99,054,035
Cash and Cash Equivalents	24	224,978,007	491,418,995	199,106,020	286,310,998
Total Current Assets		1,738,263,655	1,501,802,674	1,830,099,542	1,456,663,400
Total Assets		5,767,166,933	4,386,112,010	5,751,127,518	3,545,037,053
EQUITY AND LIABILITIES					
Equity Attributable to Equity Holders of the Parent					
Stated Capital	25	3,000,000,000	1,000,000,000	3,000,000,000	1,000,000,000
Revaluation Reserve		228,063,987	-	228,063,987	-
Retained Earnings		1,115,935,763	1,954,130,496	1,139,426,974	2,003,575,452
		4,343,999,750	2,954,130,496	4,367,490,961	3,003,575,452
Minority Interest		-	812,490,357	-	-
Total Equity		4,343,999,750	3,766,620,853	4,367,490,961	3,003,575,452
Non-Current Liabilities					
Interest Bearing Borrowings	26	452,828,967	19,252,305	452,828,967	19,252,305
Employee Benefits	27	27,796,471	18,473,441	23,123,143	17,269,573
Deferred Taxation	28	44,185,273	871,175	44,185,273	871,175
Total Non-Current Liabilities		524,810,711	38,596,921	520,137,383	37,393,053
Current Liabilities					
Dividend Payable to Minority		-	39,548,870	-	-
Interest Bearing Borrowings	26	171,755,936	16,677,502	171,755,936	16,677,502
Trade and Other Payables	29	594,939,350	470,630,876	570,718,747	433,414,611
Income Tax Payable	30	107,318,533	24,373,588	102,371,611	24,346,410
Amounts Due to Related Parties	31	1,520,249	15,082,221	1,313,108	15,048,845
Bank Overdraft	25	22,822,404	14,581,180	17,339,772	14,581,180
Total Current Liabilities		898,356,472	580,894,237	863,499,174	504,068,548
Total Liabilities		1,423,167,182	619,491,157	1,383,636,557	541,461,601
Total Equity and Liabilities		5,767,166,933	4,386,112,010	5,751,127,518	3,545,037,053

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.



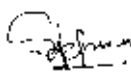
Finance Manager

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 Limited.



Director



Director

20th May 2011
Colombo

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2011

Group	Attributable to Equity Holders of the Parent					
	Stated Capital	Revaluation Reserve	Retained Earnings	Total	Minority	Total Interest
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 1 st April 2009	1,000,000,000	-	1,375,136,177	2,375,136,177	909,831,964	3,284,968,141
Profit for the Period	-	-	807,680,510	807,680,510	42,642,785	850,323,295
Adjustment Due to Change in Holding	-	-	(42,686,191)	(42,686,191)	(73,466,510)	(116,152,701)
Dividend Paid	-	-	(186,000,000)	(186,000,000)	-	(186,000,000)
Dividend Paid to Minority	-	-	-	-	(66,517,882)	(66,517,882)
Balance as at 31st March 2010	1,000,000,000	-	1,954,130,496	2,954,130,496	812,490,357	3,766,620,853
Balance as at 1 st April 2010	1,000,000,000	-	1,954,130,496	2,954,130,496	812,490,357	3,766,620,853
Revaluation Surplus	-	628,063,987	-	628,063,987	-	628,063,987
Bonus Shares Issued during the Year	2,000,000,000	(400,000,000)	(1,600,000,000)	-	-	-
Profit for the Period	-	-	961,805,268	961,805,268	205,501,273	1,167,306,540
Dividend Paid to Minority	-	-	-	-	(38,829,798)	(38,829,798)
Adjustment Due to Change in Holding	-	-	-	-	(979,161,831)	(979,161,831)
Dividend Paid	-	-	(200,000,000)	(200,000,000)	-	(200,000,000)
Balance as at 31st March 2011	3,000,000,000	228,063,987	1,115,935,763	4,343,999,750	-	4,343,999,750

Company	Stated Capital	Revaluation Reserve	Retained Earnings	Total
	Rs.	Rs.	Rs.	Rs.
	Balance as at 1 st April 2009	1,000,000,000	-	1,364,233,431
Net Profit for the Year	-	-	825,342,021	825,342,021
Dividend Paid	-	-	(186,000,000)	(186,000,000)
Balance as at 31st March 2010	1,000,000,000	-	2,003,575,452	3,003,575,452
Balance as at 1 st April 2010	1,000,000,000	-	2,003,575,452	3,003,575,452
Revaluation Surplus	-	628,063,987	-	628,063,987
Bonus Shares Issued during the Year	2,000,000,000	(400,000,000)	(1,600,000,000)	-
Net Profit for the Year	-	-	935,851,522	935,851,522
Dividend Paid	-	-	(200,000,000)	(200,000,000)
Balance as at 31st March 2011	3,000,000,000	228,063,987	1,139,426,974	4,367,490,961

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

CASH FLOW STATEMENT

For the Year Ended 31 March 2011

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit Before Income Tax Expense	1,380,553,359	988,081,027	1,144,151,419	961,292,752
Adjustments for				
Depreciation	139,391,001	109,223,236	139,128,200	106,992,573
Provision for Gratuity	10,377,908	(14,391,913)	6,908,448	(13,559,569)
Provision for Fall in Value of Investment	415,224	(296,148)	415,224	(296,148)
Provision/ (Reversal) for Bad and Doubtful Debts	(5,200,541)	4,319,983	(5,200,541)	4,319,983
Provision/ (Reversal) for Related Party Receivable	13,843,107	-	13,843,107	-
Impairment Loss in Property, Plant and Equipment	9,143,909	-	9,143,909	-
(Profit)/Loss on Sale of Property, Plant and Equipment	(10,827,223)	(1,008,239)	(10,827,223)	(1,008,239)
(Profit)/Loss on Sale of Investment	(939,890)	8,380,245	(939,890)	24,750,000
Goodwill Written-off	195,298,612	-	-	-
Gain on Investment Property Revaluation	(486,276,059)	(8,987,356)	-	-
Dividend Income	-	-	(151,301,740)	(112,151,828)
Net Finance Cost	(21,895,788)	(22,033,595)	(16,538,205)	(22,098,427)
Operating Profit Before Working Capital Changes	1,223,883,619	1,063,287,240	1,128,782,708	948,241,097
(Increase)/Decrease in Inventories	(200,289,770)	239,253,264	(200,289,770)	239,253,264
(Increase)/Decrease in Trade and Other Receivables	(443,484,457)	(219,921,543)	(376,324,665)	(303,126,474)
Increase/(Decrease) in Trade and Other Payables	124,308,474	270,908,198	137,304,136	275,207,381
(Increase)/Decrease in Due from Related Parties	135,529,099	(209,098,194)	99,464,715	(315,137,993)
Increase/(Decrease) in Due to Related Parties	(13,561,972)	(23,765,981)	(13,735,737)	(24,985,843)
Cash Generated From/(Used in) Operations	826,384,993	1,120,662,984	775,201,387	819,451,432
Interest Paid	(6,523,815)	(6,944,456)	(6,523,815)	(6,879,624)
Tax Paid	(74,061,369)	(162,624,866)	(74,061,369)	(161,026,778)
Gratuity Paid	(1,054,878)	(1,898,250)	(1,054,878)	(1,898,250)
Net Cash From/(Used in) Operating Activities	744,744,931	949,195,412	693,561,326	649,646,780
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property, Plant and Equipment	(401,949,289)	(83,714,264)	(401,562,485)	(83,539,553)
Proceeds from Disposal of Property, Plant and Equipment	18,287,738	1,023,807	18,287,738	1,023,807
Proceeds from Disposal of Investment	7,115,750	2,750,000	7,115,750	2,750,000
Payment for Shares Acquired from Minority	(979,161,831)	-	-	-
Dividend Paid to Minority	(78,378,668)	(26,969,012)	-	-
Investments in Subsidiary Company	-	-	(958,760,480)	-
Investments in Short Term Deposit	(2,364,085)	(7,035,280)	(2,364,085)	(7,035,279)
Dividend Income	-	-	142,093,008	112,151,828
Interest Income	29,284,619	28,978,051	23,927,036	28,978,051
Dividends Paid	(200,000,000)	(186,000,000)	(200,000,000)	(186,000,000)
Net Cash Flows Used in Investing Activities	(1,607,165,766)	(390,966,698)	(1,371,263,518)	(251,671,146)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan Obtained during the Year	610,000,000	-	610,000,000	-
Loan Repayments to Directors	-	(237,303,988)	-	(237,303,988)
Loan Repayments	(10,189,636)	(5,049,806)	(10,189,636)	(5,049,806)
Lease Rentals Paid	(12,071,742)	(22,344,451)	(12,071,742)	(21,948,379)
Net Cash Flows from/(Used in) Financing Activities	587,738,622	(264,698,245)	587,738,622	(264,302,173)
Net Increase / (Decrease) in Cash and Cash Equivalent	(274,682,212)	293,530,469	(89,963,570)	133,673,461
Cash and Cash Equivalent at the Beginning of the Year	476,837,815	183,307,346	271,729,818	138,056,357
Cash and Cash Equivalent at the End of the Year	202,155,603	476,837,815	181,766,248	271,729,818

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

1. REPORTING ENTITY

Access Engineering Limited ("Company") is a Company domiciled and operating in Sri Lanka. The registered office of the Company is located at "Access Towers", 278, Union Place, Colombo - 02, from where the principal business is carried out.

The Consolidated Financial Statements of Access Engineering Limited as at and for the year ended 31 March 2011 comprise the Company, its subsidiary and its joint venture, together referred to as the "Group" and the Group's interest in Associate.

The group is primarily involved in the business of construction activities and development of high rise buildings and manage the same or otherwise (lease/rent/sale) in whole or in part.

The Financial Statements were authorized for issue by the Board of Directors in accordance with the resolution passed by the Board of Directors on 20th May 2011.

The Board of Directors is responsible for the preparation and presentation of the Financial Statements.

BASIS OF PREPARATION

1.1. Statement of Compliance

The Financial Statements of the Company and the Group comprise the Balance Sheet and the Statements of Income, Changes in Equity and Cash Flows together with the Accounting Policies and Notes to the Financial Statements. These Consolidated Financial Statements have been prepared in accordance with the Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

1.2. Basis of Preparation

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Consolidated's Accounting Policies.

The Accounting Policies have been consistently applied by the Group and are consistent with those of the previous year and the previous year's figures and phrases have been re-arranged wherever necessary to conform to the current year's presentation.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions/events in similar circumstances and where necessary, appropriate adjustments have been made in the Consolidated Financial Statements.

The Financial Statements of the Company and the Group have been prepared on a historical cost convention except for the valuation of certain Property, Plant and Equipment and Short Term Investments which are valued at market values as disclosed in relevant notes to the Financial Statements.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

1.3. Functional and Presentation Currency

The Consolidated Financial Statements are presented in Sri Lankan Rupees (Rs.), which is the Group's functional currency. No adjustments are made for inflationary factors in the Financial Statement.

1.4. Use of Estimates and Judgments

The preparation of Financial Statements in conformity with Sri Lanka Accounting Standards laid down by the Chartered Accountants of Sri Lanka requires the management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumption are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apartment from the other sources. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current future periods.

1.5. Foreign Currency Transactions

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entities functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each Balance Sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the Balance Sheet date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period.

Non monetary items are reported at the rate prevailing at the time transactions were effected. The resulting gains and losses are accounted for in the profit or loss for the period.

1.6. Taxation

a) Income Taxes

The provision for income tax is based on the elements of income and expenditure as reported in the Consolidated Financial Statements.

The liability for taxation is computed according to the provisions of the Inland Revenue Act No. 10 of 2006 and subsequent amendments thereon. The relevant details are disclosed in Note 13 to the Financial Statements.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

Company

Under the provisions of the Inland Revenue Act No.10 of 2006 and amendments thereto, the Company is liable for income tax at the concessionary rate of 15% on construction income, and 35% on other income.

Subsidiary Company Access Realities (Private) Limited

In accordance with the section 17 of the Board of Investments Act No 4 of 1978, the Company is exempted from Income Tax for a period of seven (07) years from the year of assessment in which the Enterprise commences to make profits in relation to the transaction in that year or any year of assessment not later than five (05) years reckoned from the date of its operation whichever year is earlier.

Accordingly, the seven (07) years Income Tax exemption period was effected from 01st April 2003 to 31st March 2010. Company is liable for Income Tax at 2% on its revenue for next fifteen (15) years from the year of assessment 2010/11.

However, the Company is liable to pay Income Tax at 35% on other income (If taxable income is less than Rs. 5 million, the applicable tax rate would be 15%).

b) Deferred Taxation

Deferred tax is recognized using the liability method, providing for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred Tax Liabilities are recognized for all taxable temporary differences except:

Where the Deferred Tax Liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and at the time of transaction, affects neither the accounting nor taxable profit or loss.

Deferred Tax Asset is recognized for all temporary differences, carried forward un-used tax credits and carried forward un-used tax losses, to the extent that it is probable that future taxable profit will be available, against which such temporary differences, carried forward un-used tax credits and carried forward tax losses can be utilized, except in the aforementioned situations.

The carrying amount of Deferred Tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the Deferred Tax Asset will be utilized.

c) Economic Service Charge

As per the provisions of the Economic Service Charge Act No. 13 of 2006 and the amendment Act No.17 of 2007, ESC is payable on the liable turnover at specified rates. ESC paid is deductible from the income tax liability. Any unclaimed liability can be carried forward and set-off against the income tax payable as per the relevant provisions of the Act.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

d) Social Responsibility Levy

As per the provisions of the Finance Act No. 5 of 2005, as amended by the Finance Act No. 11 of 2006, and the amendment Act No.13 of 2007. Social Responsibility Levy (SRL) was introduced with effect from 1st January 2005. SRL is payable at rate of 1.5% on all taxes and levies chargeable as specified in the First schedule of the Act.

1.7. Basis of Consolidation

The Financial Statements of the Group represent the Consolidation of the Financial Statements of the Company and its Subsidiary – Access Realities (Private) Limited in accordance with Section 153 (1) (a) of the Companies Act No. 7 of 2007 and the Sri Lanka Accounting Standard 26- “Consolidated Financial Statements and Accounting for Investments in Subsidiaries”.

The Company has 100% ownership (2010 – 64%) of Access Realities (Private) Limited (incorporated in Sri Lanka) where the subsidiary is engaged in property development and renting out of its premises.

1.8. Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiary by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the Group's share of the identifiable net assets acquired is recorded as Goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the Income Statement.

b) Associates (Equity Accounted Investees)

Associates are those entities in which the Group has significant influence, but not control, over financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 to 50 percent of voting power of another entity. Associates are accounted for using the equity method (equity accounted investees) and are recognized initially at cost. The Consolidated Financial Statements include the Group's share of the income and expenses and equity movements of equity accounted investees, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has incurred obligations or has made payments on behalf of the investee.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

c) Joint Venture

Enterprise in which the Company has joint control over their financial and operating policies is joint ventures. The Company's interest in joint ventures is accounted for on a proportionate basis as per the agreement. The Company's share of their profits and losses are included in the Company's Income Statement.

d) Transactions eliminated on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Consolidated Financial Statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

e) Transactions and Minority Interest

The group applies a policy of treating transactions with minority interests as transactions with parties external to the Group.

The total profits and losses for the period of the Company and of its subsidiaries included in consolidation are shown in the Group Income Statement with the proportion of the profit or loss after taxation applicable to minority shareholders of the subsidiaries being deducted as "Minority Interest".

1.9. Events Occurring After the Balance Sheet Date

The materiality of the events occurring after the Balance Sheet date is considered and appropriate adjustments to or disclosures are made in the Financial Statements, where necessary.

2. ASSETS AND BASES OF THEIR VALUATION

Assets classified as current assets in the Balance Sheet are cash and bank balances and those, which are expected to be realized in cash during the normal operating cycle, or within one year from the Balance Sheet date, whichever is shorter. Assets other than current assets are those, which the Company intends to hold beyond the one year period calculated from the Balance Sheet date.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

2.1 Investment Properties

a) Classification

The land and buildings held to earn rental income and for capital appreciation are classified as investment properties.

b) Valuation

Investment properties are stated at 'Fair Value' accounting which describes value or amount for which land and buildings could be exchanged between knowledgeable, willing parties at an arm length transaction.

c) Initial Recognition

Investment Property will be recognized based on a valuation done by an Independent Professional Valuer and the differences between the cost and revalued amount will be transferred to Revaluation Reserve.

d) Subsequent Recognition

Subsequent to initial recognition, Fair Value of the Investment Property will be determined by the valuation carried out by an Independent Professional Valuer or by the Directors based on the method described below;

The Fair Value of the Investment Property will be determining by applying the Discounted Incremental Rate to the previously obtained asset value. The discounted incremental rate is based on the increase / decrease in the rate of return on investment property discounted by 50% for the risk factors.

The increase / decrease are the rate of return on investment is based on the increase / decrease in gross rentals during the year as a percentage of the previous year's fair value of the investment property.

Any shortage or excess will be charged to Income Statement in the year in which it arises.

Also the Investment Properties will be revalued by an Independent Professional Valuer at least once in every 03 years.

However if the Valuation made by the Directors for the year is in excess / shortage of 10% of the valuation of the previous year, a valuation will be obtained from an Independent Professional Valuer to justify the same.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

2.2 Property, Plant and Equipment

a) Cost

Property, Plant and Equipment are recorded at cost/fairvalue less accumulated depreciation and accumulated impairment in value if any, which is provided for on the bases, specified below.

The cost of Property, Plant & Equipment is the cost of purchase/revalue or construction together with any expenses incurred in bringing the asset to its working condition for its intended use.

b) Revaluation

The company has adopted a policy of revaluing the assets once in every three (3) years in order to ensure the book value reflect the realizable value of such assets. When an asset is revalued any increase in carrying amount is credited to revaluation reserve.

c) Subsequent Expenditure

Expenditure incurred to replace a component of an item of Property, Plant and Equipment that is accounted for separately, is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of Property, Plant and Equipment. All other expenditure is recognized in the Income Statement as an expense as and when incurred.

d) Leased Assets

Assets obtained under the finance lease, which effectively transfers substantial risks and benefits incidental to ownership of the leased assets, are treated as if they have been purchased outright and are capitalised at their cash price.

Assets held under finance lease are amortised over the shorter of the lease period or the useful lives of equivalent owned assets, unless ownership is not transferred at the end of the lease period.

The principal/capital elements payable to the Lessor is shown as liability/obligation. The lease rentals are consisting of capital and interest elements. The capital element in the rental that is applied to reduce the outstanding obligation and interest element is charged against profit, in proportion to the reducing capital element outstanding.

The cost of improvements to or on leased property is capitalised, disclosed as improvements to leasehold property and depreciated over the unexpired period of the lease, or the estimated useful lives of the improvements, whichever is shorter.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

e) Depreciation

The provision for depreciation is calculated by using a straight-line method on the cost of all Property, Plant & Equipment other than Freehold Land, in order to write off such amounts over the following estimated useful lives:

Group and Company

Asset Category	Depreciation Rate (%)	Useful Lives (Years)
Furniture and Fittings	25 %	04
Plant & Machinery – Light Machinery	33 1/3 %	03
Plant & Machinery – Heavy Machinery I	20%	05
Plant & Machinery – Heavy Machinery II	10 %	10
Motor Vehicles	25 %	04
Office Equipment	33 1/3 %	03
Buildings	10 %	10
Tools	33 1/3 %	03

Depreciation of an asset begins when it is available for use whereas depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

Depreciation methods, useful lives and residual values are reassessed at the reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

f) Impairment

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognized if the carrying amount of an assets or its cash generating units exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flow that largely are independent from other assets and Company. Impairment losses are recognized in the Income Statement. Impairment losses recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of other assets in the unit on pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value, less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.3 Investments

a) Subsidiaries

Investments in subsidiary companies are valued at cost and treated as long term investments in the parent Company's Financial Statements.

b) Associate

Investment in associate companies are treated as long term assets in the parent Company's Financial Statements, the investments are valued at cost.

c) Unquoted Investments

Unquoted investments are treated as long term investments and valued at cost in the Financial Statements. The cost of the investment is the cost of acquisition inclusive of brokerage and cost of transaction. Provision for impairment is made in the Income Statement, when there has been a decline other than temporary in the value of investments, determined on an individual basis.

Investments in Companies where the Group's holding is less than 20% and where the Group does not exercise significant influence and/or control over the financial and operating policies/decisions, are accounted at lower of cost and Directors' valuation, if any. Provision is made for any permanent diminution in value.

Investments in preference shares are treated as long term investments and stated at cost of the shares in the Financial Statements less any impairment loss.

d) Quoted Investments

Marketable securities which have been classified under short term investments are valued at lower of cost and market value, on an aggregate portfolio basis. Market value is calculated by reference to closing share values as at the Balance Sheet date published by the Colombo Stock Exchange.

2.4 Goodwill

Goodwill represents the excess of the cost of an acquisition of a subsidiary or an associate over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Goodwill is initially recognised at cost.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

In accordance with the revised Sri Lanka Accounting Standard 25 - Business Combinations (revised 2004) the company will no longer amortised the goodwill but test goodwill for impairment annually and assess for any indication of impairment to ensure that its carrying amounts does not exceed the recoverable amount. If an impairment loss is identified, it is recognised immediately to the Income Statement.

If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceed the cost of the acquisition of the entity, the Group will reassess the measurement of the acquirer's identifiable assets and liabilities and the measurement of the cost and recognise the difference immediately to the Consolidated Income Statement.

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Net realisable value is the estimated selling price in the normal course of business less estimated cost of realization and/or cost of conversion from their existing state to saleable condition.

a) Work in Progress

Work in Progress is recognized on actual cost incurred in relation to the uncertified work done as at the Balance Sheet Date. It includes cost of work performed and overhead expenses.

2.6 Trade and Other Receivables

Trade receivables are recognized at the amounts that they are estimated to realize less provision for bad debts. A provision for bad debts of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the estimated realizable value. The amount of the provision is recognized in the Income Statement within selling and distribution costs. When a trade receivable is uncollectible, it is written off against the provision for bad debts for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Income Statement.

Other receivables are stated at cost less provision for bad and doubtful debts.

2.7 Short Term Deposits

Short Term Deposits are Fixed Deposits and Re Purchase Agreements which the Company has invested and which would to mature in less than three months.

2.8 Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short term highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

For the purpose of Cash Flow Statement, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts.

3. LIABILITIES AND PROVISIONS

Liabilities classified as current liabilities in the Balance Sheet are those obligation payable on demand or within one year from the Balance Sheet date. Items classified as non-current liabilities are those obligations which expire beyond a period of one year from the Balance Sheet date.

All known liabilities have been accounted for in preparing the Financial Statements. Provisions and liabilities are recognized when the Group has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.1 Trade and Other Payables

Trade and other payables are stated at their cost.

3.2 Employee Benefits

a) Defined Benefit Plan Obligation - Gratuity

The Company makes full provision on account of gratuity that may fall due for payment under the Payment of Gratuity Act No. 12 of 1983 for all employees who have completed one year of service in accordance with Sri Lanka Accounting Standard 16 - Employment Benefits (Revised 2005). The liability is not externally funded.

Provision for Gratuity is provided on an actuarial basis, using the Projected Unit Credit (PUC) method as recommended by Sri Lanka Accounting Standard 16 - Employment Benefits (Revised 2005). An actuarial valuation was carried out by a professionally qualified firm of actuaries. The Company carries out actuarial valuation once in every three years.

Subsidiary

The liability of the subsidiary company is arrived at as per SLAS 16 - Employee Benefits (Revised 2005), using formula method described in appendix (E) of the said standard and the related re-classifications are done as per SLAS 10 - Accounting Policies, Changes in Accounting Estimates and Errors.

However, according to the Payment of Gratuity Act No.12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 5 years of continued service with the Company.

b) Defined Contribution Plans- Employees Provident Fund and Employees Trust Fund

All employees of the Company are members of Employees Provident Fund (EPF) and Employees Trust Fund (ETF), to which Company contributes 12% and 3% of employee salaries respectively, and charged against the income.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

3.3 Stated Capital

As per the Companies Act No. 07 of 2007, section 58 (1), Stated Capital in relation to a Company means the total of all amounts received by the Company or due and payable to the Company in respect of the issue of shares and in respect of call in arrears.

3.4 Capital Commitment and Contingent Liabilities

Capital commitments and contingencies which exist as at the Balance Sheet date are disclosed in the respective notes to the Financial Statements.

4. INCOME STATEMENT

4.1 Revenue

Revenue represents the amounts derived from the provision of services, which fall within the companies' ordinary activities net of trade discounts and turnover related taxes.

4.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue and the associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and sales taxes, and after eliminating sales within the Group. The following specific criteria are used for the purpose of recognition of revenue.

a) Construction Contracts

When the outcome of the contract can be measured reliably, contract revenue is recognized by reference to stage of completion of the contract activity at the Balance Sheet date. Further, the Company recognizes construction revenue only after receiving the work done certification from the customer.

Any expected losses on specific contracts are recognized immediately by a corresponding reduction in their revenue.

b) Rental Income

Revenue represents the rental income derived from letting out the Company's premises. Rental income is accrued on a time proportion basis and is matched with related expenditure in accordance with Sri Lanka Accounting Standard 29 - Revenue.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

c) Interest Income

Interest income is recognized on accrual basis unless collectability is in doubt. Interest from bank deposits are recognized on a time proportion basis from the date of deposit to the Balance Sheet date.

d) Dividend Income

Dividend income is accounted when the shareholders' right to receive payment is established.

e) Other Income

Other Income is recognized on an accrual basis. Net Gains and losses of a revenue nature on the disposal of Property Plant and Equipment and other non current assets including investment have been accounted for in the Income Statement, having deducted from proceeds on disposal, the carrying amount of the assets and related expenses. Gains and losses arising from incidental activities to main revenue generating activities and those arising from a group of similar transactions which are not material, are aggregated, reported and presented on a net basis.

4.3 Expenditure Recognition

a) Construction Contracts

Total cost incurred in respect of each contract during the year, which can be attributed to the work certified, has been included in the cost of sales.

When the outcome of the contract can be measured reliably, contract expense is recognized by reference to stage of completion of the contract activity at the Balance Sheet date.

b) Other Expenses

All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year.

For the purpose of presentation of Income Statement the directors are of the opinion that function of expenses method presents fairly the elements of the enterprises performance, hence such presentation method is adopted.

c) Recognition of Expected Losses

Expected Losses are recognized as an expense when it is probable that the total cost pertaining to construction contracts will exceed its revenue.

d) Expenses are recognized in the Income Statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the Income Statement.

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

4.4 Other Expenditures

a) Operating Expenses

All expenses incurred in day-to-day operations of the business and in maintaining the Property, Plant and Equipment in a state of efficiency has been charged to revenue in arriving at the profit or loss for the year. Provision has also been made for bad and doubtful debts, all known liabilities and depreciation on Property, Plant and Equipment.

b) Finance Costs

Interest expenses are recognized on an accrual basis.

c) Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred except those that are directly attributable to the construction or development of Property, Plant and Equipments which are capitalized as part of the cost of those assets during the period of construction or development.

5. SEGMENTAL REPORTING

A segment is a distinguishable component of the Company that is engaged in providing products and services, which is subject to different risks and rewards. The Company's core business is construction and this line of business accounts for the entire operation of the Company. The Financial Statements taken as a whole presents the profitability and assets related to construction and ancillary services.

Further, geographic segmentation with distinguishable components associated with differing risks and returns do not arise for the Company.

6. RELATED PARTY TRANSACTION

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged.

7. CASH FLOW

Interest paid, interest received and dividends received are classified as operating cash flows, while dividend paid is classified as financing cash flows for the purpose of presentation of Cash Flow Statement which has been prepared using the 'Indirect Method'.

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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
8. TURNOVER				
Highways Construction	2,471,327,814	2,141,624,093	2,471,327,814	2,141,624,093
Water and Drainage Construction	319,278,139	500,597,813	319,278,139	500,597,813
Bridge Construction	667,011,860	364,124,672	667,011,860	364,124,672
Building and Other Construction	60,421,457	26,154,817	60,421,457	26,154,817
Rental Income	118,613,610	127,125,771	-	-
Service Charges	14,045,955	15,654,536	-	-
Supplementary Income	-	13,974	-	-
	3,650,698,835	3,175,295,676	3,518,039,270	3,032,501,395
9. OTHER INCOME				
Dividend Income	-	-	151,301,740	112,151,828
Rent Income	2,748,714	2,875,694	2,748,714	2,875,694
Profit on Disposal of Property, Plant and Equipment	10,889,723	1,008,239	10,827,223	1,008,239
Foreign Exchange Gain / (Loss)	5,772,956	(9,527,502)	5,778,086	(9,514,593)
Hiring Income	2,780,333	2,790,821	2,780,333	2,790,821
Profit/(Loss) on Sale of Shares	939,890	-	939,890	(24,750,000)
Sundry Income	1,416,524	303,871	1,390,033	151,056
	24,548,140	(2,548,877)	175,766,019	84,713,045

10. PROFIT FROM JOINTLY CONTROLLED OPERATIONS

The Company has signed an agreement with China Geo - Engineering Corporation and Salcon Engineering Berhad to provide construction services to National Water Supply and Drainage Board for the Construction and completion of Head Works, Raw Water Transmission and Main Treatment Plants. The Company's Share of Profit of this Jointly Controlled Operation is based on the scope of work allocated and performed in accordance with the agreement.

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Profit from Jointly Controlled Operations	14,399,517	289,839,845	14,399,517	289,839,845

11. NET FINANCE (INCOME) / COST

11.1 Finance Cost

Interest on Finance Leases	(916,461)	(3,291,520)	(916,461)	(3,248,674)
Interest on Bank Overdraft	(220,209)	(1,229,733)	(220,209)	(1,207,747)
Bank Loan Interest	(6,303,606)	(2,423,203)	(6,303,606)	(2,423,203)
	(7,440,276)	(6,944,456)	(7,440,276)	(6,879,624)

11.2 Finance Income

Interest Income on Fixed Deposits	8,530,487	18,035,647	8,530,487	18,035,647
Interest Income on Repurchase Agreement	9,711,566	9,473,588	9,711,566	9,473,588
Other Interest Income	11,094,011	10,908,727	5,736,428	6,172,755
	29,336,064	38,417,962	23,978,481	33,681,990

Net Finance (Income)/ Cost	21,895,788	31,473,506	16,538,205	26,802,366
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12. PROFIT BEFORE TAX

Is Stated After Charging All Expenses Including Following:

Directors' Emoluments	7,740,000	22,960,000	7,740,000	22,960,000
Auditor's Remuneration - Statutory Audit	1,600,000	1,360,000	1,200,000	980,000
Provision/(Reversal) for Fall in Value of Investments	415,224	(296,148)	415,224	(296,148)
Provision/(Reversal) for Bad and Doubtful Debts	(5,200,541)	4,319,983	(5,200,541)	4,319,983
Provision/(Reversal) for Related Party Receivable	13,843,107	-	13,843,107	-
Impairment Loss on Fixed Assets	9,143,909	-	9,143,909	-
Donations	4,412,809	1,367,167	4,412,809	1,367,167
Depreciation	139,128,200	106,992,573	139,128,200	106,992,573

Personal cost including:

Defined Benefit Plan Costs - Gratuity	10,377,908	(14,391,913)	6,908,448	(13,559,569)
Defined Benefit Contribution Costs - EPF	21,383,256	17,390,413	20,767,082	16,769,214
- ETF	5,457,585	4,361,297	5,303,541	4,206,031
Ex - gratia Payment	-	732,500	-	732,500
Staff Cost	451,877,636	386,372,235	442,903,060	377,400,841

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	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
13. INCOME TAX EXPENSE				
13.1 Current Tax on Ordinary Activities for the Year - Note 13.2	169,932,721	106,900,787	164,985,800	105,211,171
Under/(Over) Provision in Respect of Previous Years	-	26,382,441	-	26,265,055
Deferred Tax Charge/ (Credit) - Note 13.4	43,314,098	4,474,505	43,314,098	4,474,505
	213,246,819	137,757,733	208,299,898	135,950,731
13.2 Reconciliation between Accounting Profit and Taxable Profit				
Accounting Profit Before Income Tax Expense	1,380,553,359	988,081,027	1,144,151,419	961,292,752
Aggregate Disallowed Items	284,219,548	247,398,837	284,219,548	244,334,853
Aggregate Allowable Items	(815,417,210)	(531,312,773)	(386,116,402)	(566,901,553)
Taxable Profit	1,195,956,049	704,167,091	1,042,254,565	638,726,052
Exempted Income	-	60,684,911	-	-
Total Statutory Income	1,195,956,049	643,482,180	1,042,254,565	638,726,052
Tax on Revenue at 2%	148,247,593	-	-	-
Tax on Construction Income at 15%	1,011,207,559	599,488,952	1,011,207,559	599,488,952
Tax on Other Income at 35%	36,500,897	43,993,228	31,047,006	39,237,096
	1,047,708,456	643,482,180	1,042,254,565	638,726,048
Tax @ 2%	2,964,952	-	-	-
Tax @ 15%	151,681,134	89,923,343	151,681,134	89,923,343
Tax @ 35%	12,775,314	15,397,630	10,866,452	13,732,984
Total Income Tax	167,421,400	105,320,973	162,547,586	103,656,326
Social Responsibility Levy @ 1.5%	2,511,321	1,579,814	2,438,214	1,554,845
Current Income Tax Expenses	169,932,721	106,900,787	164,985,800	105,211,171

13.3 Income Tax

Company

Under the provisions of the Inland Revenue Act No.10 of 2006 and amendments thereto, the Company is liable for income tax at the concessionary rate of 15% on construction income, and 35% on other income.

Jointly Controlled Operations

Under the provisions of Section 83 of the Inland Revenue Act No 10 of 2006, the profit of the Jointly Controlled Operation will be taxed at 6.5% as deemed profit on the sums receivable from the Batticaloa Project.

Subsidiary

Access Realties (Private) Limited

In accordance with the section 17 of the Board of Investments Act No 4 of 1978, the Company is exempted from Income Tax for a period of seven (07) years from the year of assessment in which the Enterprise commences to make profits in relation to the transaction in that year or any year of assessment not later than five (05) years reckoned from the date of its operation whichever year is earlier.

Accordingly, the seven (07) years Income Tax exemption period was in force from 01st April 2003 to 31st March 2010. Thereafter Company is liable for a concessionary rate of Income Tax of 2% on its turnover for the period of fifteen years from the year of assessment 2010/2011. However, the Company is liable to pay Income Tax at 35% on other income.

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ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

13.4 Deferred Taxation

Company

	2011		2010	
	Temporary Differences Rs.	Tax Effect Rs.	Temporary Differences Rs.	Tax Effect Rs.
Property, Plant and Equipment	391,333,749	46,960,050	23,077,405	3,461,611
Employee Benefits	(23,123,143)	(2,774,777)	(17,269,573)	(2,590,436)
	368,210,606	44,185,273	5,807,832	871,175

Subsidiaries

Access Realities (Private) Limited

No provisions has been made for Deferred Taxation, since the Company is liable for Income Tax at 2% on its revenue for next fifteen (15) years after completing the seven (07) years of Income Tax exemptions. The tax exemption ends at the end of 2010/11 year of assessment.

13.5 Economic Service Charge

Company

The Company has paid Economic Service Charges at the rate of 0.5% on its "Liable Turnover" amounting to Rs. 17,623,895/- and at the rate of 1% on its "Liable Turnover" amounting to Rs. 33,539/- during the year .

Subsidiary

Access Realities (Private) Limited

The Company has paid Economic Service Charges at the rate of 0.25% on its "Liable Turnover" amounting to Rs. 517,783/- during the year.

14. EARNINGS PER SHARE

14.1 The Earnings Per Share is computed on the profit for the year attributable to Ordinary Shareholders after tax divided by weighted average number of ordinary shares as at Balance Sheet date together with the 200,000,000 bonus share issue made subsequent to the Balance Sheet date, as given below.

	Group		Company	
	2011	2010	2011	2010
Profit Attributable to Equity				
Ordinary Shareholders of the Company (Rs.)	961,805,268	807,680,510	935,851,522	825,342,021
Weighted Average Number of Ordinary Shares	800,000,000	800,000,000	800,000,000	800,000,000
Earnings Per Share (Rs.)	1.20	1.01	1.17	1.03

* Comparative number of shares have been restated to confirm to the current year's presentation.

14.2 200,000,000 Bonus shares has been issued as at 21st March 2011 to the ordinary share holders in the proportion of two ordinary shares for every one existing ordinary share held as at the said date and a share split has taken place as at 31st March 2011 on the basis of two new ordinary shares for every one existing ordinary shares held at said date. The Earnings Per Share before the Bonus share issue and Share split as at 31st March 2011 and 200,000,000 bonus share issue made subsequent to the Balance Sheet date are given below;

Profit Attributable to Equity				
Ordinary Shareholders of the Company (Rs.)	961,805,268	807,680,510	935,851,522	825,342,021
Number of Ordinary Shares Before Bonus Issue and Share Split	100,000,000	100,000,000	100,000,000	100,000,000
Earnings Per Share (Rs.)	9.62	8.08	9.36	8.25

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ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

15.1 PROPERTY, PLANT AND EQUIPMENT

Company

Cost	Balance as at 01 st April 2010 Rs.	Revaluation Reserve Rs.	Addition Rs.	Transfers Rs.	Disposals/ Impairment Rs.	Balance as at 31 st March 2011 Rs.
Freehold						
Land	100,224,546	211,075,454	8,433,000	-	(6,433,000)	313,300,000
Building	51,875,177	67,624,823	-	-	-	119,500,000
Plant and Machinery	234,976,180	(81,394,234)	281,453,018	26,538,685	(973,101)	460,600,548
Plant and Machinery-Dredger	81,387,684	(6,387,684)	-	-	-	75,000,000
Motor Vehicles	172,162,265	(9,517,416)	96,430,818	7,881,875	(52,429,542)	214,528,000
Office Equipment	73,651,433	-	7,137,568	-	(770,000)	80,019,001
Furniture and Fittings	32,441,179	-	1,877,593	-	-	34,318,772
Tools	34,915,016	-	6,230,488	-	-	41,145,504
Leasehold						
Motor Vehicles	18,338,829	543,046	-	(7,881,875)	-	11,000,000
Plant and Machinery	26,538,685	-	-	(26,538,685)	-	-
	826,510,994	181,943,989	401,562,485	-	(60,605,643)	1,349,411,825

Accumulated Depreciation	Balance as at 01 st April 2010 Rs.	Revaluation Reserve Rs.	Charge for the Year Rs.	Transfers Rs.	Disposals Rs.	Balance as at 31 st March 2011 Rs.
Freehold						
Land	-	-	-	-	-	-
Building	10,807,329	(15,611,113)	5,732,687	-	-	928,903
Plant and Machinery	166,619,035	(260,406,690)	70,145,881	26,538,685	-	2,896,911
Plant and Machinery-Dredger	32,555,072	(40,403,966)	8,116,017	-	-	267,123
Motor Vehicles	131,338,523	(119,566,562)	26,492,534	7,881,875	(43,231,219)	2,915,151
Office Equipment	53,309,407	-	12,492,528	-	(770,000)	65,031,935
Furniture and Fittings	23,107,499	-	4,910,195	-	-	28,017,694
Tools	16,495,858	-	8,617,925	-	-	25,113,783
Leasehold						
Motor Vehicles	15,506,738	(10,131,667)	2,620,433	(7,881,875)	-	113,629
Plant and Machinery	26,538,685	-	-	(26,538,685)	-	-
	476,278,146	(446,119,998)	139,128,200	-	(44,001,219)	125,285,129

Net Book Value	Balance as at 01 st April 2010 Rs.					Balance as at 31 st March 2011 Rs.
Freehold						
Land	100,224,546					313,300,000
Building	41,067,848					118,571,097
Plant and Machinery	68,357,145					457,703,637
Plant and Machinery-Dredger	48,832,612					74,732,877
Motor Vehicles	40,823,742					211,612,849
Office Equipment	20,342,026					14,987,066
Furniture and Fittings	9,333,680					6,301,078
Tools	18,419,158					16,031,721
Leasehold						
Motor Vehicles	2,832,091					10,886,371
Plant and Machinery	-					-
	350,232,853					1,224,126,696

15.2 The Land, Building, Plant and Machinery and Motor Vehicle of the company have been revalued at Rs. 1,180,207,048/- by an independent professional valuer as at 31st March 2011. As a result their book value have been written up by Rs.628,063,987/- which resulted from the excess of the revalued amount over the net book value of the asset.

Following are the carrying amount of Land, Buildings, Plant and Machinery and Motor Vehicles that would have been recognized had Property, Plant and Equipment being carried under cost model.

Assets	Freehold Land Rs.	Building Rs.	Plant and Machinery Rs.	Plant and Machinery -Dredger Rs.	Motor Vehicle -Freehold Rs.	Motor Vehicle -Leased Rs.	Total Rs.
Cost	102,224,546	51,875,177	540,798,281	81,387,684	211,520,413	10,456,954	998,263,055
Accumulated Depreciation	-	(15,611,113)	(260,406,687)	(40,403,966)	(119,566,562)	(10,131,666)	(446,119,994)
Net Book Value	102,224,546	36,264,064	280,391,594	40,983,718	91,953,851	325,288	552,143,061

15.3 The Mortgage details of Plant and Machinery are given in the Note No 26.3 in the Financial Statements.

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ACCESS ENGINEERING LIMITED

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As at 31 March 2011

15.4 PROPERTY, PLANT AND EQUIPMENT

Group

Cost	Balance as at 01 st April 2010 Rs.	Revaluation Reserve Rs.	Addition Rs.	Transfers Rs.	Disposals/ Impairment Rs.	Balance as at 31 st March 2011 Rs.
Freehold						
Land	100,224,546	211,075,454	8,433,000	-	(6,433,000)	313,300,000
Building	51,875,177	67,624,823	-	-	-	119,500,000
Plant and Machinery	241,552,166	(81,394,234)	281,453,018	26,538,685	(973,101)	467,176,534
Plant and Machinery-Dredger	81,387,684	(6,387,684)	-	-	-	75,000,000
Motor Vehicles	176,057,437	(9,517,416)	96,430,818	7,881,875	(56,191,366)	214,661,348
Office Equipment	76,243,778	-	7,524,372	-	(770,000)	82,998,150
Furniture and Fittings	36,224,202	-	1,877,593	-	-	38,101,795
Tools	34,915,016	-	6,230,488	-	-	41,145,504
Leasehold						
Motor Vehicles	18,338,829	543,046	-	(7,881,875)	-	11,000,000
Plant and Machinery	26,538,685	-	-	(26,538,685)	-	-
Capital Work In Progress	4,331,153	-	-	-	-	4,331,153
	847,688,673	181,943,989	401,949,289	-	(64,367,467)	1,367,214,484
Accumulated Depreciation						
	Balance as at 01 st April 2010 Rs.	Revaluation Reserve Rs.	Charge for the Year Rs.	Transfers Rs.	Disposals Rs.	Balance as at 31 st March 2011 Rs.
Freehold						
Land	-	-	-	-	-	-
Building	10,807,329	(15,611,113)	5,732,687	-	-	928,903
Plant and Machinery	173,104,161	(260,406,690)	70,236,741	26,538,685	-	9,472,897
Plant and Machinery-Dredger	32,555,072	(40,403,966)	8,116,017	-	-	267,123
Motor Vehicles	135,233,692	(119,566,562)	26,492,534	7,881,875	(46,993,043)	3,048,496
Office Equipment	55,710,987	-	12,631,709	-	(770,000)	67,572,696
Furniture and Fittings	26,850,724	-	4,942,955	-	-	31,793,679
Tools	16,495,858	-	8,617,925	-	-	25,113,783
Leasehold						
Motor Vehicles	15,506,738	(10,131,667)	2,620,433	(7,881,875)	-	113,629
Plant and Machinery	26,538,685	-	-	(26,538,685)	-	-
Capital Work In Progress	-	-	-	-	-	-
	492,803,246	(446,119,998)	139,391,001	-	(47,763,043)	138,311,206
Net Book Value						
	Balance as at 01 st April 2010 Rs.					Balance as at 31 st March 2011 Rs.
Freehold						
Land	100,224,546					313,300,000
Building	41,067,848					118,571,097
Plant and Machinery	68,448,005					457,703,637
Plant and Machinery-Dredger	48,832,612					74,732,877
Motor Vehicles	40,823,745					211,612,852
Office Equipment	20,532,791					15,425,454
Furniture and Fittings	9,373,478					6,308,116
Tools	18,419,158					16,031,721
Lease hold						
Motor Vehicles	2,832,091					10,886,371
Plant and Machinery	-					-
Capital Work In Progress	4,331,153					4,331,153
	354,885,427					1,228,903,278

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16. INVESTMENT PROPERTY

Group

	2011 Rs.	2010 Rs.
Balance at the Beginning of the Year	2,313,723,941	2,304,736,585
Gain from Fair Value Adjustment - Note 16.1 and 16.2	486,276,059	8,987,356
Balance at the End of the Year	<u>2,800,000,000</u>	<u>2,313,723,941</u>

- 16.1** Investment properties are stated at fair value, and has been determined based on the valuation carried out by Messrs. K.J.D. Tissera, an independent Chartered Valuer as at 18th March 2011 based on an Investment Method of Valuation.

The independent valuer has estimated the Freehold Open Market Value of the property at Rs. 2,800,000,000/-, by considering the valuation of Property on an investment basis and the valuation contractors method.

16.2 Gain from Fair Value Adjustment

Gain from Fair Value Adjustment	486,276,059	8,987,356
Impairment of Goodwill - Note 19	(195,298,612)	-
Net Gain from Fair Value of Investment Property	<u>290,977,447</u>	<u>8,987,356</u>

17. INVESTMENTS IN SUBSIDIARIES

Company

	%	2011		%	2010	
	Holding	No. of Shares	Cost Rs.	Holding	No. of Shares	Cost Rs.
Access Realities (Private) Limited	100%	67,422,532	2,696,901,280	64%	43,453,520	1,738,140,800
			<u>2,696,901,280</u>			<u>1,738,140,800</u>

The Company has acquired 23,969,012 Ordinary Shares of Access Realities (Private) Limited (Subsidiary) for a consideration of Rs. 958,760,480/- on 31st March 2011.

18. OTHER LONG TERM INVESTMENTS

	Group				Company			
	2011		2010		2011		2010	
	No. of Shares	Cost Rs.	No. of Shares	Cost Rs.	No. of Shares	Cost Rs.	No. of Shares	Cost Rs.
Unquoted Investments								
Asia Pacific Golf Course Limited - Preference Shares	6	1,500,000	6	1,500,000	6	1,500,000	6	1,500,000
Less: Provision for fall in Value		(1,500,000)		(1,500,000)		(1,500,000)		(1,500,000)
		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>

19. GOODWILL

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
At the Beginning of the Year	215,699,963	209,025,552	-	-
On Acquisitions	(20,401,351)	10,800,297	-	-
At the End of the Year	195,298,612	219,825,849	-	-
On Disposal of Subsidiary	-	(4,125,886)	-	-
Impairment of Goodwill - Note 19.1	(195,298,612)	-	-	-
At the End of the Year	<u>-</u>	<u>215,699,963</u>	<u>-</u>	<u>-</u>

- 19.1** An impairment loss has been recognised for the cash generating unit for which the goodwill is allocated as per the Sri Lanka Accounting Standard 41 - Impairment.

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20. SHORT TERM INVESTMENTS

Group/ Company

	2011			2010		
	No. of Shares	Cost Rs.	Market Value Rs.	No. of Shares	Cost Rs.	Market Value Rs.
Quoted Investments						
Nation Lanka Finance PLC	12,300	453,009	136,530	12,300	453,009	126,075
Lanka Indian Oil Corporation PLC	36,600	1,035,414	644,160	36,600	1,035,414	667,950
Tess Agro Company PLC	60	-	156	60	-	90
Touchwood Investments PLC	14,400	414,108	338,400	3,600	414,108	377,100
Horana Plantation PLC	7,500	538,464	542,250	-	-	-
The Colombo Fort Land and Building Company PLC	1,000	499,533	400,400	-	-	-
Namunukula Plantation PLC	3,300	527,240	378,180	-	-	-
Richard Peiris and Company PLC	50,000	798,848	680,000	-	-	-
Total		4,266,616	3,120,076		1,902,531	1,171,215
Provision for Fall in Value of Investments		(1,146,540)	-		(731,316)	-
Carrying Value as at the End of the Year		3,120,076	3,120,076		1,171,215	1,171,215

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
21. INVENTORIES				
Work in Progress	312,423,317	112,133,547	312,423,317	112,133,547
22. TRADE AND OTHER RECEIVABLES				
Trade Debtors	867,954,063	405,871,689	856,043,038	401,686,674
Less: Provision for Bad and Doubtful Debts	(994,010)	(6,194,551)	(994,010)	(6,194,551)
	866,960,053	399,677,138	855,049,028	395,492,123
Interest Receivable	3,997,760	6,852,507	3,997,760	5,967,489
Deposits and Prepayments	5,900,980	5,616,310	5,900,980	5,321,404
Margin on Bid Bond	1,991,035	3,925,386	1,991,035	3,925,386
Advances	19,969,561	3,510,000	19,969,561	3,510,000
Retention Receivable	101,566,346	123,968,686	101,566,346	123,968,686
Other Receivables	9,877,066	13,913,304	9,512,032	85,327,417
Short Term Lending - Note 22.1	1,337,755	1,337,755	-	-
Refundable Deposits	1,768,846	1,768,846	-	-
	1,013,369,402	560,569,932	997,986,742	623,512,505

22.1 An Interest free loan was given to Trans Continental Security Services (Private) Limited by Access Realities (Private) Limited, and will be repaid on or before 31st March 2012.

23. AMOUNT DUE FROM RELATED PARTIES

China Geo - Salcon - Access JV	78,766,240	81,137,993	78,766,240	81,137,993
Access Energy (Pvt) Limited	5,500,000	5,500,000	5,500,000	5,500,000
Access Projects (Pvt) Limited	-	82	-	-
Access Realities Tower II (Pvt) Limited	2,816,504	2,273,774	-	-
Access International Projects (Pvt) Limited	-	84,290	-	-
Access International (Pvt) Limited	-	134,000,000	-	134,000,000
Access Agencies (Pvt) Limited	-	519,588	-	-
Forestreet Investments Limited	1,000,000	-	1,000,000	-
Access Realities (Pvt) Limited - Note 23.1	-	-	135,907,038	100,000,000
Asia Pacific Golf Course (Pvt) Limited	13,843,107	13,843,107	13,843,107	13,843,107
Access Industrial Systems (Pvt) Limited	-	96,116	-	-
Less: Provision for Bad and Doubtful Debts	(13,843,107)	-	(13,843,107)	-
	88,082,744	237,454,950	221,173,278	334,481,100

23.1 Loans Granted to Related Parties

This is an interest free short term loan given to Access Realities (Private) Limited which is a subsidiary of the Company.

24. CASH AND CASH EQUIVALENTS

Favourable Balances				
Cash at Bank	144,399,512	254,204,073	123,547,527	139,483,133
Cash in Hand	67,948,003	29,597,865	67,928,002	29,577,865
Cash in Transit	5,000,000	317,526	-	-
Investment in Repos	-	186,250,000	-	117,250,000
Fixed Deposits	7,630,492	21,049,531	7,630,492	-
	224,978,007	491,418,995	199,106,020	286,310,998
Unfavourable Balances				
Bank Overdrafts	(22,822,404)	(14,581,180)	(17,339,772)	(14,581,180)
Cash and Cash Equivalents for the Purpose of Cash Flow Statement	202,155,603	476,837,815	181,766,248	271,729,818

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	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
25. STATED CAPITAL				
Issued and Fully Paid				
Balance at the Beginning of the Year (100,000,000 Ordinary Shares)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Bonus Shares Issued During the Year (200,000,000 Ordinary Shares)	2,000,000,000	-	2,000,000,000	-
Balance at the End of the Year (600,000,000 Ordinary Shares)	3,000,000,000	1,000,000,000	3,000,000,000	1,000,000,000
25.1	Pursuant to a ordinary resolution adopted at an Extra General Meeting held on 21 st March 2011, Shareholders of the Company resolved that an amount of Rs. 2,000,000,000/- be transferred from reserve accounts (Retained Earnings Rs. 1,600,000,000/- and Revaluation Reserve Rs. 400,000,000) to the Stated Capital and the said amount be utilized to make a bonus issue of 200,000,000 shares allotted and issued to the existing shareholders of the Company on 1: 2 basis (two new shares issued for each one share).			
25.2	Pursuant to a special resolution adopted at an Extra Ordinary General Meeting held on 31 st March 2011, Shareholders of the Company resolved that 300,000,000 ordinary shares held by share holders as at 31 st March 2011 were subdivided in to two ordinary shares. The subdivision has increased the total number of ordinary shares to 600,000,000 without a change to the stated capital.			
26. INTEREST BEARING BORROWINGS				
Payable Within One Year				
Finance Lease Obligation - Note 26.1	623,369	11,153,987	623,369	11,153,987
Term Loan - Note 26.2	171,132,567	5,523,515	171,132,567	5,523,515
	171,755,936	16,677,502	171,755,936	16,677,502
Payable After One Year				
Finance Lease Obligation - Note 26.1	-	624,110	-	624,110
Term Loan - Note 26.2	452,828,967	18,628,195	452,828,967	18,628,195
	452,828,967	19,252,305	452,828,967	19,252,305
26.1 Finance Lease Obligation				
Balance at the Beginning of the Year	12,711,011	35,055,462	12,711,011	34,659,390
Repayments During the Year	(12,071,742)	(22,344,451)	(12,071,742)	(21,948,379)
Balance at the End of the Year	639,269	12,711,011	639,269	12,711,011
Less: Interest In Suspense	(15,900)	(932,914)	(15,900)	(932,914)
	623,369	11,778,097	623,369	11,778,097
Payable Within One Year	623,369	11,153,987	623,369	11,153,987
Payable After One Year	-	624,110	-	624,110
	623,369	11,778,097	623,369	11,778,097
26.2 Term Loan				
DFCC Bank PLC				
Loan I				
Balance at the Beginning of the Year	-	-	-	-
Obtained During the Year	210,000,000	-	210,000,000	-
Repayment During the Year	(4,666,667)	-	(4,666,667)	-
Balance at the End of the Year	205,333,333	-	205,333,333	-
Loan Payable Within One Year	56,000,004	-	56,000,004	-
Loan Payable After One Year	149,333,329	-	149,333,329	-
	205,333,333	-	205,333,333	-
DFCC Bank PLC				
Loan II				
Balance at the Beginning of the Year	-	-	-	-
Obtained During the Year	400,000,000	-	400,000,000	-
Repayment During the Year	-	-	-	-
Balance at the End of the Year	400,000,000	-	400,000,000	-
Loan Payable Within One Year	109,090,909	-	109,090,909	-
Loan Payable After One Year	290,909,091	-	290,909,091	-
	400,000,000	-	400,000,000	-
People's Leasing Company PLC				
Balance at the Beginning of the Year	24,151,710	29,201,516	24,151,710	29,201,516
Repayment During the Year	(5,522,969)	(5,049,806)	(5,522,969)	(5,049,806)
Balance at the End of the Year	18,628,741	(5,049,806)	18,628,741	24,151,710
Loan Payable Within One Year	6,041,654	5,523,515	6,041,654	5,523,515
Loan Payable After One Year	12,586,547	18,628,195	12,586,547	18,628,195
	18,628,201	24,151,710	18,628,201	24,151,710
Total Loan Payable Within One Year	171,132,567	5,523,515	171,132,567	5,523,515
Total Loan Payable After One Year	452,828,967	18,628,195	452,828,967	18,628,195
	623,961,534	24,151,710	623,961,534	24,151,710

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2011

26.3 Details of Securities

LENDER	People's Leasing Company PLC
APPROVED FACILITY	Rs. 30,000,000/-
AMOUNT OBTAINED	Rs. 30,000,000/-
SECURITIES PLEDGED	Corporate Guarantee and Promissory Note Guarantor - Access Realities (Private) Limited Letter of Assignment Demand Promissory Note - Between People's Leasing Company PLC and Access Realities (Private) Limited
INTEREST RATE	25% until the reimbursement of Central Bank 9% after reimbursement 36% annual interest rate for failing of payments
REPAYMENT	Sixty (60) months Six (06) months grace period
LENDER	DFCC Bank PLC (Loan I)
APPROVED FACILITY	Rs. 215,000,000/-
AMOUNT OBTAINED	Rs. 210,000,000/-
SECURITIES PLEDGED	Primary mortgage over movable machinery of the company kept at No.336/1, Jalthara, Ranala, Homagama Primary mortgage over heavy vehicles amounting to Rs. 220,588,761/- A Corporate guarantee from Access Realities (Private) Limited for Rs. 215,000,000/=
INTEREST RATE	AWPLR - 0.75%
REPAYMENT	45 Months equal capital payments 03 months grace period
LENDER	DFCC Bank PLC (Loan II)
APPROVED FACILITY	Rs. 785,000,000/-
AMOUNT OBTAINED	Rs. 400,000,000/-
SECURITIES PLEDGED	Rs. 400,000,000/- secured by, A Corporate guarantee from Access Realities (Private) Limited A Negative Pledge from Access Realities (Private) Limited that they will not pledge or mortgage the 'Access Tower' (Situating in No. 278, Union Place, Colombo 02) in favour of any other financial institution. Primary mortgage over movable machinery amounting to Rs. 421,196,583/-. Rs. 100,000,000/- secured by, Primary mortgage over the proposed Land to be purchased Rs. 285,000,000/- secured by, A Corporate guarantee from Access Realities (Private) Limited A Negative Pledge from Access Realities (Private) Limited that they will not pledge or mortgage the 'Access Tower' (Situating in No. 278, Union Place, Colombo 02) in favour of any other financial institution. Primary mortgage over the proposed movable machinery to be purchased by the company
INTEREST RATE	AWPLR - 0.75%
REPAYMENT	33 months Equal capital payments 03 months grace period

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ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2011

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
27. EMPLOYEE BENEFITS				
Balance at the Beginning of the Year	18,473,441	34,763,604	17,269,573	32,727,392
Current Service Cost	5,668,923	2,281,099	3,462,018	3,113,443
Interest Cost	2,011,068	3,927,287	1,726,745	3,927,287
Actuarial (Gain)/Losses	2,697,917	(20,600,299)	1,719,685	(20,600,299)
	28,851,349	20,371,691	24,178,021	19,167,823
Less: Payments Made during the Year	(1,054,878)	(1,898,250)	(1,054,878)	(1,898,250)
Balance at the End of the Year	27,796,471	18,473,441	23,123,143	17,269,573
27.1 Expense Recognized in the Income Statement				
Current Service Cost	5,668,923	2,281,099	3,462,018	3,113,443
Interest Cost	2,011,068	3,927,287	1,726,745	3,927,287
Actuarial (Gain)/Losses	2,697,917	(20,600,299)	1,719,685	(20,600,299)
	10,377,908	(14,391,913)	6,908,448	(13,559,569)

An Independent Actuarial Valuation of the retirement benefit obligation was carried out as at 31st March 2011 by Professional Actuaries - M/S K. A. Pandit, Professional Consultants and Actuaries.

The valuation method used by the actuaries to value the retirement benefit obligation is the "Projected Unit Credit Method". The method recommended by the Sri Lanka Accounting Standard 16 - Employee Benefits (Revised 2006).

27.2 The Key Actuarial Assumptions

	2011	2010
Company		
The Key Assumptions Used by Actuary Include the Following:		
The Discounted Rate	10%	12%
Expected Annual Average Salary Incremental	8.50%	10%
Staff Turnover Factor	1%	1%
Retiring Age	55 Years	55 Years
Subsidiary - Access Realties (Private) Limited		
The Key Assumptions Used by Actuary Include the Following:		
The Discounted Rate	10%	12%
Expected Annual Average Salary Incremental	16.90%	10%
Staff Turnover Factor	1%	1%
Retiring Age	55 Years	55 Years

28. DEFERRED TAXATION

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
Balance at the Beginning of the Year	871,175	(3,603,330)	871,175	(3,603,330)
Provision / (Reversal) during the Year	43,314,098	4,474,505	43,314,098	4,474,505
Balance at the End of the Year	44,185,273	871,175	44,185,273	871,175
Deferred Tax Provision as at the Year End is Made Up as Follows:				
Property, Plant and Equipment	46,960,050	3,461,611	46,960,050	3,461,611
Defined Benefit Obligation	(2,774,777)	(2,590,436)	(2,774,777)	(2,590,436)
	44,185,273	871,175	44,185,273	871,175

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2011

	Group		Company	
	2011 Rs.	2010 Rs.	2011 Rs.	2010 Rs.
29. TRADE AND OTHER PAYABLES				
Trade Creditors	83,731,027	31,426,309	83,756,083	29,865,903
Mobilization Advances	257,570,776	319,421,314	257,570,776	319,421,314
VAT Payable	50,091,366	20,263,425	50,091,366	20,263,425
Accrued Expenses	41,971,187	6,571,970	39,423,116	2,075,350
Advances Received	142,120,426	63,289,502	133,725,693	56,269,305
ESC Payable	6,151,713	5,519,314	6,151,713	5,519,314
Security Deposit	13,302,854	24,139,042	-	-
	594,939,350	470,630,876	570,718,747	433,414,611
30. INCOME TAX PAYABLE				
Balance at the Beginning of the Year	24,346,410	55,978,641	24,346,410	57,145,636
Adjustment on Disposal of Subsidiary	-	1,166,995	-	-
Notional Tax	(971,156)	-	(971,156)	-
WHT Recoverable	(9,033,532)	(11,194,950)	(9,033,532)	(11,194,950)
ESC Recoverable	(22,234,567)	(21,394,966)	(22,234,568)	(19,669,876)
Provision Made during the Year	169,932,721	133,494,604	164,985,800	131,742,336
Payments Made during the Year	(54,721,343)	(133,676,737)	(54,721,343)	(133,676,737)
Balance at the End of the Year	107,318,533	24,373,588	102,371,611	24,346,410
31. AMOUNTS DUE TO RELATED PARTIES				
Access Travels (Pvt) Limited	-	158,291	-	158,291
Access International (Pvt) Limited	1,313,108	14,923,930	1,313,108	14,890,554
Access Industrial Systems (Pvt) Limited	207,141	-	-	-
	1,520,249	15,082,221	1,313,108	15,048,845

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

32. RELATED PARTY TRANSACTIONS

Name of the Company	Name of the Directors	Nature of Interest	Nature of the Transaction	Amount (Paid)/ Received Rs.
Access International (Pvt) Ltd	S.J.S.Perera	Chairman	Purchase of Gabion, Fibertex, Lighting Pole and Paint	13,963,419
	J.C. Joshua	Director	Clearing Charges Paid	18,660
	R.J.S. Gomez	Director	Loan Settlement	119,109,446
	S.D.Perera	Director	Paid for Sub Contractor Work	618,940
Forestree Investments Limited	S.J.S.Perera	Chairman	Loan Given	1,000,000
	J.C. Joshua	Director		
	R.J.S. Gomez	Director		
Access Realities (Pvt) Limited	S.J.S.Perera	Chairman	Office Rentals Paid	(14,807,490)
	J.C. Joshua	Director	Telephone and A/C Charges Paid	(780,538)
	S.D.Perera	Director	Dividend Received	151,301,740
	R.J.S. Gomez	Director	Loans Given	(45,000,000)
Access Natural Water (Pvt) Limited	S.J.S.Perera	Chairman	Purchase of Water	1,606,250
	J.C. Joshua	Director		
	R.J.S. Gomez	Director		
	S.D. Perera	Director		
Repographics (Pvt) Limited	S.J.S. Perera	Chairman		
	J.C. Joshua	Director	Purchase of Toner	167,867
	R.J.S. Gomez	Director	Purchase of Photocopy Machine Spare Parts and Service	110,688
	S.D. Perera	Director		
China Geo-Salcon-Access Joint Venture	J.C. Joshua	Partner	Sub Contractor Charges	34,440,417
	S.H.S. Mendis	Partner	Profit from Joint Venture	14,399,517
	D.A.R.Fernando	Partner	Invoices Settlements	(41,211,686)
			Fund Transfers	(10,000,000)

This note should be read in conjunction with Note No. 23 and 31 to these Financial Statements

Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard 30 - Related Party Disclosures (Revised 2005), Key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the entity. Accordingly, the Company has identified Directors as key management personnel and an amount of Rs. 7.74 Mn (2010 - Rs. 22.96Mn) has been paid to key management personnel of the Company as well as Group as remuneration.

The company has paid a sum of Rs. 958 Mn to Mr. Sumal Perera, Mr. Ranjan Gomez and Mr. Christopher Joshua for purchase of Personally held Ordinary Shares in Access Realities (Private) Limited.

33. COMPARATIVE INFORMATION

Comparative figures have been reclassified wherever necessary to conform to the current year's presentation.

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2011

34. COMMITMENTS AND CONTINGENCIES

There were no material commitments and contingent liabilities as at the Balance Sheet date except the following,

Bank Guarantees issued by the banks on behalf of the company is as follows;

<i>Nations Trust Bank</i>	<i>Rs. 271,219,892/-</i>
<i>Sampath Bank</i>	<i>Rs. 274,980,222/-</i>
<i>Bank of Ceylon</i>	<i>Rs. 571,793,469/-</i>

35. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There have been no material events occurring after the Balance Sheet date except followings that require adjustments to or disclosure in the Financial Statements.

35.1 Pursuance to resolution adopted on 9th May 2011, the Board of Directors of the Company approved the payment of an interim dividend of twenty seven cents (0.27 cents) per share for the year ended 31st March 2011.

35.2 Pursuant to a ordinary resolution adopted on 11th May 2011 at an Extra Ordinary General Meeting, Shareholders of the Company resolved that an amount of Rs. 1,000,000,000/- be transferred from Reserve accounts (Retained Earnings Rs. 800,000,000/- and Revaluation Reserve Rs. 200,000,000/-) to the Stated Capital and the said amount be utilized to make a bonus issue of 200,000,000 shares allotted and issued to the existing shareholders of the Company on 1:3 basis (One new share issued for each existing three shares).

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15.4 Interim Financial Statements for the Nine Months Ended December 31, 2011

ACCESS ENGINEERING LIMITED

INCOME STATEMENT

For the Nine Months Ended 31 December 2011

	Unaudited 31 Dec 2011 Rs.	Group Unaudited 31 Dec 2010 Rs.	Audited 31 Mar 2011 Rs.	Unaudited 31 Dec 2011 Rs.	Company Unaudited 31 Dec 2010 Rs.	Audited 31 Mar 2011 Rs.
Turnover	4,520,724,556	2,378,409,070	3,650,698,835	4,411,014,157	2,282,235,535	3,518,039,270
Cost of Sales	(3,240,484,320)	(1,652,338,059)	(2,354,891,731)	(3,208,146,004)	(1,619,122,052)	(2,319,484,339)
Gross Profit	1,280,240,236	726,071,011	1,295,807,104	1,202,868,153	663,113,483	1,198,554,931
Net Gain from Fair Value Adjustment of Investment Property	-	-	290,977,447	-	-	-
Other Income	69,621,141	10,635,442	24,548,140	69,025,440	74,462,250	175,766,019
Administrative Expenses	(243,813,686)	(166,225,767)	(249,804,846)	(249,062,896)	(169,451,634)	(243,837,463)
Other Expenses	(36,478,668)	(6,028,934)	(17,269,791)	(36,079,788)	(6,028,934)	(17,269,791)
Profit from Jointly Controlled Operations	-	-	14,399,517	-	-	14,399,517
Net Finance Income/(Cost)	43,194,368	12,007,053	21,895,788	42,793,195	12,007,053	16,538,205
Profit Before Tax	1,112,763,391	576,458,805	1,380,553,359	1,029,544,105	574,102,218	1,144,151,418
Income Tax Expenses	(147,238,209)	(98,515,021)	(213,246,819)	(144,632,894)	(94,001,909)	(208,299,898)
Profit for the Year	965,525,181	477,943,784	1,167,306,540	884,911,211	480,100,309	935,851,520
Earnings Per Share	1.03	4.53	1.20	0.95	4.80	1.17
Earnings Per Share *	1.03	0.57	1.20	0.95	0.60	1.17

*Comparative number of shares have been restated to confirm to the current year's presentation

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

BALANCE SHEET

As At 31 December 2011

	Unaudited 31 Dec 2011 Rs.	Group Unaudited 31 Dec 2010 Rs.	Audited 31 Mar 2011 Rs.	Unaudited 31 Dec 2011 Rs.	Company Unaudited 31 Dec 2010 Rs.	Audited 31 Mar 2011 Rs.
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	2,030,020,862	440,281,285	1,228,903,278	2,025,389,948	435,624,906	1,224,126,696
Investment In Subsidiary	-	-	-	2,696,901,280	1,738,140,800	2,696,901,280
Investment Property	2,824,620,609	2,313,723,939	2,800,000,000	-	-	-
Goodwill	-	215,699,963	-	-	-	-
Total Non-Current Assets	4,854,641,471	2,969,705,187	4,028,903,278	4,722,291,228	2,173,765,706	3,921,027,976
Current Assets						
Short Term Investments	63,496,442	1,171,215	3,120,076	63,496,442	1,171,215	3,120,076
Inventories and Work in Progress	994,164,348	159,390,870	312,423,317	994,164,349	159,390,871	312,423,317
Trade Debtors	2,409,783,749	449,494,867	866,960,053	2,401,432,928	440,691,443	855,049,028
Other Receivables	629,092,273	248,803,021	146,409,349	625,926,440	245,269,375	142,937,714
Amount Due from Related Parties	66,890,931	252,304,055	88,082,744	133,035,956	319,747,439	221,173,278
Short Term Deposits	2,727,519,930	201,882,652	96,290,109	2,727,519,930	195,000,000	96,290,109
Cash and Cash Equivalents	342,616,461	420,653,926	224,978,007	335,015,168	414,687,971	199,106,020
Total Current Assets	7,233,564,134	1,733,700,606	1,738,263,655	7,280,591,213	1,775,958,314	1,830,099,542
Total Assets	12,088,205,605	4,703,405,793	5,767,166,933	12,002,882,441	3,949,724,020	5,751,127,518
EQUITY AND LIABILITIES						
Equity Attributable to						
Equity Holders of the Parent						
Stated Capital	8,500,000,000	1,000,000,000	3,000,000,000	8,500,000,000	1,000,000,000	3,000,000,000
Revaluation Reserve	28,063,987	-	228,063,987	28,063,987	-	228,063,987
Retained Earnings	1,065,385,864	2,207,508,537	1,115,935,763	1,008,263,105	2,283,675,764	1,139,426,974
	9,593,449,851	3,207,508,537	4,343,999,750	9,536,327,092	3,283,675,764	4,367,490,961
Minority Interest	-	798,226,302	-	-	-	-
Total Equity	9,593,449,851	4,005,734,839	4,343,999,750	9,536,327,092	3,283,675,764	4,367,490,961
Non-Current Liabilities						
Interest Bearing Borrowings	7,686,183	164,148,116	452,828,967	7,686,184	164,148,117	452,828,967
Employee Benefits	33,125,173	21,019,195	27,796,471	28,115,778	19,518,795	23,123,143
Deferred Taxation	65,559,977	971,425	44,185,273	65,559,977	971,425	44,185,273
Total Non-Current Liabilities	106,371,333	186,138,736	524,810,711	101,361,939	184,638,337	520,137,383
Current Liabilities						
Interest Bearing Borrowings	6,461,933	8,113,876	171,755,936	6,461,933	8,113,876	171,755,936
Trade and Other Payables	2,251,879,640	405,478,503	594,939,350	2,229,315,883	379,743,559	570,718,747
Income Tax Payable	84,695,172	75,630,569	107,318,533	82,351,753	72,401,760	102,371,611
Amount Due to Related Parties	97,928	89,061	1,520,249	1,814,093	158,291	1,313,108
Bank Overdraft	45,249,748	22,220,208	22,822,404	45,249,748	20,992,433	17,339,772
Total Current Liabilities	2,388,384,421	511,532,217	898,356,472	2,365,193,410	481,409,919	863,499,174
Total Liabilities	2,494,755,754	697,670,953	1,423,167,183	2,466,555,349	666,048,256	1,383,636,557
Total Equity and Liabilities	12,088,205,605	4,703,405,793	5,767,166,933	12,002,882,441	3,949,724,020	5,751,127,518



Director

03rd February 2012
Colombo



Director

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

STATEMENT OF CHANGES IN EQUITY

For the Period Ended 31 December 2011

Group	Attributable to Equity Holders of the Parent				Minority Interest	Total
	Stated Capital	Revaluation Reserve	Retained Earnings	Total		
	Rs.	Rs.	Rs.	Rs.		
Balance as at 1 st April 2010	1,000,000,000	-	1,954,130,496	2,954,130,496	812,490,357	3,766,620,853
Profit for the Period	-	-	453,378,041	453,378,041	24,565,743	477,943,784
Dividend Paid	-	-	(200,000,000)	(200,000,000)	-	(200,000,000)
Dividend Paid to Minority	-	-	-	-	(38,829,798)	(38,829,798)
Balance as at 31st December 2010	1,000,000,000	-	2,207,508,537	3,207,508,537	798,226,302	4,005,734,839
Balance as at 1 st January 2011	1,000,000,000	-	2,207,508,537	3,207,508,537	798,226,302	4,005,734,839
Revaluation Surplus	-	628,063,987	-	628,063,987	-	628,063,987
Bonus Issue	2,000,000,000	(400,000,000)	(1,600,000,000)	-	-	-
Profit for the Period	-	-	508,427,227	508,427,227	180,935,530	689,362,757
Adjustment due to Changes in Holdings	-	-	-	-	(979,161,831)	(979,161,831)
Balance as at 31st March 2011	3,000,000,000	228,063,987	1,115,935,764	4,343,999,751	-	4,343,999,751
Balance as at 1 st April 2011	3,000,000,000	228,063,987	1,115,935,764	4,343,999,751	-	4,343,999,752
Profit for the Period	-	-	965,525,181	965,525,181	-	965,525,181
Bonus Issue	1,000,000,000	(200,000,000)	(800,000,000)	-	-	-
Share Issue	4,500,000,000	-	-	4,500,000,000	-	4,500,000,000
Dividend Paid	-	-	(162,000,000)	(162,000,000)	-	(162,000,000)
Share issue Expenses	-	-	(54,075,081)	(54,075,081)	-	(54,075,081)
Balance as at 31st December 2011	8,500,000,000	28,063,987	1,065,385,865	9,593,449,852	-	9,593,449,853
Company	Stated Capital	Revaluation Reserve	Retained Earnings	Total		
	Rs.	Rs.	Rs.	Rs.		
Balance as at 1 st April 2010	1,000,000,000	-	2,003,575,452	3,003,575,452		
Profit for the Period	-	-	480,100,312	480,100,312		
Dividend Paid	-	-	(200,000,000)	(200,000,000)		
Balance as at 31st December 2010	1,000,000,000	-	2,283,675,764	3,283,675,764		
Balance as at 1 st January 2011	1,000,000,000	-	2,283,675,764	3,283,675,764		
Revaluation Surplus	-	628,063,987	-	628,063,987		
Bonus Issue	2,000,000,000	(400,000,000)	(1,600,000,000)	-		
Profit for the Period	-	-	455,751,210	455,751,210		
Balance as at 31st March 2011	3,000,000,000	228,063,987	1,139,426,974	4,367,490,961		
Balance as at 1 st April 2011	3,000,000,000	228,063,987	1,139,426,974	4,367,490,961		
Profit for the Period	-	-	884,911,211	884,911,211		
Bonus Issue	1,000,000,000	(200,000,000)	(800,000,000)	-		
Share Issue	4,500,000,000	-	-	4,500,000,000		
Dividend Paid	-	-	(162,000,000)	(162,000,000)		
Share Issue Expenses	-	-	(54,075,081)	(54,075,081)		
Balance as at 31st December 2011	8,500,000,000	28,063,987	1,008,263,105	9,536,327,092		

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

CASH FLOW STATEMENT

For the Nine Months Ended 31 December 2011

	Group			Company		
	31 Dec 2011	31 Dec 2010	31 Mar 2011	31 Dec 2011	31 Dec 2010	31 Mar 2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES						
Net Profit Before Income Tax Expenses	1,112,763,391	576,458,805	1,380,553,359	1,029,544,105	574,102,218	1,144,151,419
Adjustments for						
Depreciation	155,260,271	91,474,200	139,391,001	155,114,606	91,300,571	139,128,200
Provision for Gratuity	5,517,403	3,113,006	10,377,908	5,181,335	2,816,474	6,908,448
Provision for Fall in Value of Investment	12,620,165	-	415,224	12,620,165	-	415,224
Provision for Bad and Doubtful Debts	-	-	(5,200,541)	-	-	(5,200,541)
(Profit)/Loss on Sale of Property Plant and Equipment	175,988	(569,193)	(10,827,223)	175,988	(569,193)	(10,827,223)
Provision /(Reversal) for Related Party Receivable	-	-	13,843,107	-	-	13,843,107
Impairment Loss in Property, Plant and Equipment	-	-	9,143,909	-	-	9,143,909
(Profit)/Loss on Sales of Investment	(1,382,709)	(914,017)	(939,890)	(1,382,709)	(914,017)	(939,890)
Goodwill Written Off	-	-	195,298,612	-	-	-
Gain on Investment Property Revaluation	-	-	(486,276,059)	-	-	-
Dividend Income	(46,049,852)	-	-	(46,049,852)	(70,394,702)	(151,301,740)
Net Interest Cost/(Income)	(43,194,368)	(12,007,053)	(21,895,788)	(42,793,195)	(12,007,053)	(16,538,205)
Operating Profit Before Working Capital Changes	1,195,710,289	657,555,748	1,223,883,619	1,112,410,443	584,334,298	1,128,782,708
(Increase)/Decrease in Inventories	(681,741,031)	(47,257,323)	(200,289,770)	(681,741,032)	(47,257,324)	(200,289,770)
(Increase)/Decrease in Trade and Other Receivables	(2,025,506,620)	(137,727,956)	(443,484,457)	(2,029,372,626)	(62,448,313)	(376,324,665)
Increase/(Decrease) in Trade and Other Payables	1,656,940,290	(65,152,373)	124,308,474	1,658,597,136	(53,397,993)	137,304,136
(Increase)/Decrease in Due from Related Parties	21,191,813	(14,849,105)	135,529,099	88,137,322	14,733,661	99,464,715
Increase/(Decrease) in Due to Related Parties	(1,422,321)	(14,993,160)	(13,561,972)	500,985	(14,890,554)	(13,735,737)
Cash Generated From/(Used in) Operations	165,172,420	377,575,831	826,384,993	148,532,228	421,073,775	775,201,387
Interest Paid	(14,932,331)	(2,810,086)	(6,523,815)	(14,932,331)	(2,810,086)	(6,523,815)
Gratuity Paid	(188,700)	(567,250)	(1,054,878)	(188,700)	(567,250)	(1,054,878)
Tax Paid	(148,486,859)	(47,157,990)	(74,061,369)	(143,278,041)	(45,846,367)	(74,061,369)
Net Cash From/(Used in) Operating Activities	1,564,530	327,040,505	744,744,931	(9,866,844)	371,850,072	693,561,326
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of Property, Plant & Equipment	(962,998,137)	(178,181,512)	(401,949,289)	(962,998,137)	(178,004,083)	(401,562,485)
Proceeds from Disposal of Property, Plant & Equipment	6,444,286	1,880,652	18,287,738	6,444,286	1,880,652	18,287,738
Acquisition of Investment Property	(24,620,610)	-	-	-	-	-
Acquisition of Short Term Investment	(74,496,530)	-	-	(74,496,530)	-	-
Proceeds from Sale of Investment	2,882,709	6,578,217	7,115,750	2,882,709	6,578,217	7,115,750
Payment for shares acquired from Minority	-	-	(979,161,831)	-	-	-
Dividend Paid to Minority	-	(78,378,668)	(78,378,668)	-	-	-
Investment in Subsidiary	-	-	-	-	-	(958,760,480)
Investment in Short Term Deposit	(2,631,229,821)	(108,492,317)	(2,364,085)	(2,631,229,821)	(101,610,165)	(2,364,085)
Interest Income	58,126,699	14,817,139	29,284,619	57,725,526	14,817,139	23,927,036
Dividend Income	46,049,852	-	-	46,049,852	70,394,702	142,093,008
Dividend Paid	(162,000,000)	(200,000,000)	(200,000,000)	(162,000,000)	(200,000,000)	(200,000,000)
Share Issue	4,500,000,000	-	-	4,500,000,000	-	-
Share Issue Expenses	(54,075,081)	-	-	(54,075,081)	-	-
Net Cash Flows Used in Investing Activities	704,083,367	(541,776,489)	(1,607,165,766)	728,302,804	(385,943,538)	(1,371,263,518)
CASH FLOWS FROM FINANCING ACTIVITIES						
Loan Obtained During the Year	-	144,895,812	610,000,000	-	144,622,812	610,000,000
Loan Repayment	(609,813,417)	(8,563,626)	(10,189,636)	(609,813,417)	(8,563,626)	(10,189,636)
Lease Rental Paid	(623,369)	-	(12,071,742)	(623,369)	-	(12,071,742)
Net Cash Flows From/(Used in) Financing Activities	(610,436,786)	136,332,186	587,738,622	(610,436,786)	136,059,186	587,738,622
Net Increase/(Decrease) in Cash and Cash Equivalent	95,211,111	(78,403,798)	(274,682,213)	107,999,174	121,965,720	(89,963,570)
Cash and Cash Equivalent at the Beginning of the Year	202,155,603	476,837,516	476,837,816	181,766,247	271,729,818	271,729,818
Cash and Cash Equivalent at the End of the Year	297,366,714	398,433,718	202,155,603	289,765,421	393,695,538	181,766,248

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31ST DECEMBER 2011

01 TURNOVER

	Group			Company		
	31 Dec 11 Rs.	31 Dec 10 Rs.	31 Mar 11 Rs.	31 Dec 11 Rs.	31 Dec 10 Rs.	31 Mar 11 Rs.
Highways Constructions	2,544,610,462	1,470,150,215	2,471,327,814	2,544,610,462	1,470,150,215	2,471,327,814
Water and Drainage Constructions	478,831,021	242,542,263	319,278,139	478,831,021	242,542,263	319,278,139
Bridge Construction	26,004,380	531,205,900	667,011,860	26,004,380	531,205,900	667,011,860
Building and other Construction	960,410,054	38,337,157	60,421,457	960,410,054	38,337,157	60,421,457
Rental Income	97,100,917	85,648,535	118,613,610	-	-	118,613,610
Service Charges	12,609,482	10,525,000	14,045,955	-	-	14,045,955
Production Income	401,158,240	-	-	401,158,240	-	-
	4,520,724,556	2,378,409,070	3,650,698,835	4,411,014,157	2,282,235,535	3,650,698,835

02 TRADE DEBTORS

	Age Analysis			
	Total	Within 3 Months	3 Months to 1 Year	Over 1 Year
	Rs.	Rs.	Rs.	Rs.
Trade Debtors	<u>2,409,783,749</u>	<u>1,407,673,491</u>	<u>1,002,110,258</u>	-

03 STATED CAPITAL

	No of Shares	Value Rs.
Balance as at 31 st March 2011	600,000,000	3,000,000,000
Bonus Issue	200,000,000	1,000,000,000
Share Issue	180,000,000	4,500,000,000
Balance as at 31st December 2011	980,000,000	8,500,000,000

04 There were no changes in the accounting policies since the last audited financial statements – 2010/2011

05 Pursuant to a ordinary resolution adopted on 11th May 2011 at a Extra Ordinary General Meeting, Shareholders of the Company resolved that an amount of Rs. 1,000,000,000/- be transferred from Reserve accounts (Retained Earnings Rs. 800,000,000/- and Revaluation Reserve Rs. 200,000,000/-) to the Stated Capital and the said amount be utilized to make a bonus issue of 200,000,000 shares allotted and issued to the existing shareholders of the Company on 1:3 basis (one new share issued for each existing three shares).

06 Through the board resolution dated 25th May 2011 and the prospectus dated 30th May 2011, Company has issued 180,000,000 new ordinary voting shares worth Rs. 4,500,000,000 to selected investors. This increased stated capital of the company to Rs. 8,500,000,000 and total no of ordinary shares issued to 980,000,000.

07 Pursuant to resolution adopted on 9th May 2011, the Board of Directors of the Company approved the payment of an interim dividend of twenty seven cents (0.27 cents) per share for the year ended 31st March 2011.

08 There have been no events subsequent to the Balance Sheet date, which require disclosure in the interim financial statements other than stated above.

09 The company has not had any contingent liabilities except the following Bank Guarantees as at 31st December 2011

Company	Bank	Outstanding Balance (Rs.)
Access Engineering Limited	Nations Trust Bank PLC	657,360,707
	Sampath Bank PLC	1,438,839,281
	Bank of Ceylon	1,390,297,070
Total		3,486,497,058

FINANCIAL STATEMENTS AND AUDITORS' REPORT

ACCESS ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the Nine Months Ended 31 December 2011

10 RELATED PARTY TRANSACTIONS

Name of the Company	Name of Director	Nature of Interest	Nature of Transaction	Amount (Paid)/Received Rs.
Access International (Pvt) Ltd	S.J.S. Perera	Chairman	Purchase of Gabion, Fibertex, Geo MX and Tie Wire	(11,309,040)
	J.C. Joshua	Director	Clearing Charges	(274,184)
	R.J.S. Gomez	Director	Purchase of Road Marking Material	(2,214,388)
			Purchase of Construction Plant and Equipment	(87,761,600)
Access Realities (Pvt) Ltd	S.J.S. Perera	Chairman	Office Rentals	(11,938,776)
	J.C. Joshua	Director	Paid for Telephone and A/C Charges	(601,862)
	R.J.S. Gomez	Director	Loan Settlement	30,000,000
			Supply and Installation of Power Socket	(25,561)
Access Natural Water (Pvt) Ltd	S.J.S. Perera	Chairman	Purchase of Water Bottles	(1,586,048)
	J.C. Joshua	Director		
	R.J.S. Gomez	Director		
Access Agencies (Pvt) Ltd	S.J.S.Perera	Chairman	Purchase of Ceramic Fittings	(463,769)
Access Projects (Pvt) Ltd	S.J.S. Perera	Chairman	Reimbursement of Electricity Bill	314,766
ATSL International (Pvt) Ltd	S.J.S. Perera	Chairman	Purchase of Fiber Cable Splicing, Termination and Testing Charges	(1,372,800)
	J.C. Joshua	Director		
	R.J.S. Gomez	Director		
Access Energy Solutions (Pvt) Ltd	S.J.S. Perera	Chairman	Supply and Installation of Electrical Work	(3,796,708)
	J.C. Joshua	Director		
	R.J.S. Gomez	Director		
Reprographics (Pvt) Ltd	S.J.S. Perera	Chairman	Purchase of Toner	(397,600)
	J.C. Joshua	Director	Photocopy Machine Spare Parts and Service	(193,982)
	R.J.S. Gomez	Director		
Access Industrial Systems (Pvt) Ltd	S.J.S. Perera	Chairman	Purchase Elevator Service and Maintenance Charges	(1,534,968)
China Geo-Salcon-Access-JV	J.C. Joshua	Partner	Fund Transfers	20,000,000
	S.H.S. Mendis	Partner		
	D.A.R. Fernando	Partner		

ANNEX A – COLLECTION POINTS

Copies of the Prospectus and the Application Form can be obtained free of charge from the following collection points.

Financial Advisors and Lead Managers to the Issue

NDB Investment Bank Limited
40, Navam Mawatha
Colombo 02

Tel: 011 2300385
Fax: 011 2300393

Co-Managers to the Issue

John Keells Capital
130, Glennie Street
Colombo 02

Tel: 011 2306000
Fax: 011 2306160

Registrars to the Issue

P W Corporate Secretarial (Pvt) Ltd
3/17, Kynsey Road
Colombo 08

Tel: 011 4640360
Fax: 011 4740588

Members of the CSE

Acuity Stockbrokers (Private) Limited

Level 6, Acuity House
53, Dharmapala Mawatha
Colombo 03

Tel: 011 2206206
Fax: 011 2206298-9
E-mail: sales@acuitystockbrokers.com
Kandy Branch Tel: 081 2205609

Asha Phillip Securities Limited

Level 4, "Millennium House"
46/58, Navam Mawatha
Colombo 02

Tel: 011 2429100
Fax: 011 2429199
E-mail: apsl@ashaphillip.net
Ambalantota Branch Tel: 047 2225170
Jaffna Branch Tel: 021 2221614
Kandy Branch Tel: 081 4474118
Kurunegala Branch Tel: 037 4691844
Matara Branch Tel: 041 2223240
Negombo Branch Tel: 031 2227474
Pandura Branch Tel: 038 2234780

Asia Securities (Private) Limited

Level 21, West Tower
World Trade Centre
Echelon Square
Colombo 01

Tel: 011 2423905, 011 5320000
Fax: 011 2336018
E-mail: enquiry@asiacapital.lk
Kurunegala Branch Tel: 037 5642717

Assetline Securities (Private) Limited

282, Kaduwela Road
Battaramulla

Tel: 011 4700111, 011 2307366
Fax: 011 4700112
E-mail: dpgsl@slt.net.lk
Kandy Branch Tel: 081 4481638-9
Kurunegala Branch Tel: 037 4690384
Matara Branch Tel: 041 4390766-7

ANNEX A – COLLECTION POINTS

Bartleet Religare Securities (Private) Limited

Level “G”, “Bartleet House”
65, Braybrooke Place
Colombo 02

Tel: 011 5220200
Fax: 011 2434985
E-mail: info@bartleetstock.com
Polonnaruwa Branch Tel: 027 2222548
Jaffna Branch Tel: 021 2221800
Kandy Branch Tel: 081 5622779
Matara Branch Tel: 041 5410005-6
Negombo Branch Tel: 031 5677838

Capital TRUST Securities (Private) Limited

42, Sir Mohamed Macan Markar Mawatha
Colombo 03

Tel: 011 5335225
Fax: 011 5365725
E-mail: inquiries@capitaltrust.lk
Jaffna Branch Tel: 021 5677001
Kandy Branch Tel: 081 5626839
Kurunegala Branch Tel: 037 5671403
Matara Branch Tel: 041 5623200
Negombo Branch Tel: 031 5675291

CT Smith Stockbrokers (Private) Limited

4-14, Majestic City
10, Station Road
Colombo 04

Tel: 011 2552290-4
Fax: 011 2552289
E-mail: ctssales@slnet.lk

D N H Financial (Private) Limited

Level 16, West Tower
World Trade Centre
Colombo 01

Tel: 011 5700777
Fax: 011 5736264
E-mail: info@dnhfinancial.com
Negombo Branch Tel: 031 5676451

J B Securities (Private) Limited

150, St. Joseph Street
Colombo 14

Tel: 011 2490900, 077 2490900-1
Fax: 011 2430070
E-mail: jbs@jb.lk

John Keells Stockbrokers (Private) Limited

130, Glennie Street
Colombo 02

Tel: 011 2306250, 011 2338066-7
Fax: 011 2342068
E-mail: jkstock@keells.com

Lanka Securities (Private) Limited

228/2, Galle Road
Colombo 04

Tel: 011 4706757, 011 2554942
Fax: 011 4706767
E-mail: lankasec@slnet.lk
Jaffna Branch Tel: 021 4590460
Kandy Branch Tel: 081 4939206
Kurunegala Branch Tel: 037 4934067
Negombo Branch Tel: 031 4929671

Nation Lanka Equities (Private) Limited

“Ceylinco House”
Level 9
69, Janadhipathi Mawatha
Colombo 01

Tel: 011 4714300, 011 4714388-9, 077 7891871,
077 7896064
Fax: 011 2387228
E-mail: info@ecsbl.com
Kurunegala Branch Tel: 037 2220297

ANNEX A – COLLECTION POINTS

NDB Stockbrokers (Private) Limited

5th Floor, NDB Building
40, Navam Mawatha
Colombo 02

Tel: 011 2314170-8
Fax: 011 2314180
E-mail: mail@ndbs.lk

SC Securities (Private) Limited

2nd Floor,
55, D. R. Wijewardena Mawatha
Colombo 10

Tel: 011 4711000
Fax: 011 2394405
E-mail: cscres@sltnet.lk
Kandy Branch Tel: 081 4474299
Matara Branch Tel: 041 2220090

Somerville Stockbrokers (Private) Limited

137, Vauxhall Street
Colombo 02

Tel: 011 2329201-5, 011 2332827, 011 2338292-3
Fax: 011 2338291
E-mail: ssb-web@sltnet.lk

Trading Members

Arrenga Capital (Private) Limited

Level 23, East Tower
World Trade Centre
Colombo 01

Tel: 011 7277000-98
Fax: 011 7277099
Email: dihand@arregacapital.com
Horana Branch Tel: 034 7451000

Capital Alliance Securities (Private) Limited

Level 5, "Millennium House"
46/58, Navam Mawatha
Colombo 02

Tel: 011 2317777
Fax: 011 2317788
Kurunegala Branch Tel: 037 2222034-5
Matara Branch Tel: 041 4390610
Negombo Branch Tel: 031 2227843

Claridge Stockbrokers (Private) Limited

10, Gnanartha Pradeepa Mawatha
Colombo 08

Tel: 011 2697974
Fax: 011 2677576
E-mail: fonseka@mackwoods.com
Negombo Branch Tel: 031 2236666

First Guardian Equities (Private) Limited

32nd Floor, East Tower
World Trade Centre
Colombo 01

Tel: 011 5884400
Fax: 011 5884401
E-mail: info@firstguardianequities.com

Heraymila Securities Limited

Level 8, South Wing
Millennium House
46/58, Navam Mawatha
Colombo 02

Tel: 011 2359100
Fax: 011 2305522
E-mail: info-hsl@heraymila.com

IIFL Securities Ceylon (Private) Limited

27th Floor, East Tower
World Trade Centre
Colombo 01

Tel: 011 2333000
Fax: 011 2333383
E-mail: info.ceylon@iiflcap.com

ANNEX A – COLLECTION POINTS

LOLC Securities (Private) Limited

Level 18, West Tower
World Trade Centre
Echelon Square
Colombo 01

Tel: 011 7880880
Fax: 011 2434771
Kurunegala Branch Tel: 037 7201221

New World Securities (Private) Limited

2nd Floor, 45/2, Braybrooke Street
Colombo 02

Tel: 011 2358700-20
Fax: 011 2358701
E-mail: info@nws.lk

SMB Securities (Private) Limited

47, Dharmapala Mawatha
Colombo 03

Tel: 011 5232091
Fax: 011 2339292
E-mail: admin@smbsecurities.lk
Jaffna Branch Tel: 071 8736499

SKM Lanka Holdings (Private) Limited

35/1, Alwis Place
Colombo 03

Tel: 011 2344444
Fax: 011 2434198
E-mail: info@skmlankaholdings.com
Jaffna Branch Tel: 021 2221596

Taprobane Securities (Private) Limited

2nd Floor
10, Gothami Road
Colombo 08

Tel: 011 5328200
Fax: 011 5328277
E-mail: info@taprobane.lk

TKS Securities (Private) Limited

19-01, East Tower
World Trade Centre
Colombo 01

Tel: 011 7857799
Fax: 011 7857857
E-mail: ralph@tkslk
Ratnapura Branch Tel: 045 7200005-6
Karapitiya Branch Tel: 091 7857799

Richard Pieris Securities (Private) Limited

69, Hyde Park Corner
Colombo 02

Tel: 011 7448900
Fax: 011 2675064
E-mail: communication@rpsecurities.com
Wattala Branch Tel: 077 3413261

ANNEX A – COLLECTION POINTS

Super Grade Branches of BOC

Branch Name	Branch Address	Telephone
Anuradhapura	Maithripala Senanayake Mawatha, Anuradhapura	025-2222715
Badulla	Bank Road, Badulla	055-2222980
Bambalapitiya	20, Galle Road, Colombo 4	011-5368439
Batticaloa	Covington Road, Batticaloa	065-2227410
Borella	71, Danister de Silva Mawatha, Colombo 8	011-4612617
Chunnakam	146, KKS Road, Chunnakam	021-2214228
City Office	41, Bristol Street, Colombo 1	011-2329413
Corporate	4, Bank of Ceylon Mawatha, Colombo 1	011-2446817
Dehiwala	207, Galle Road, Dehiwala	011-2738335
Fifth City	85, York Street, Colombo 1	011-2449646
Galle	2, Light House Street, Fort, Galle	091-2232269
Galle City	2, Gamini Road, Galle	091-2234478
Gampaha	16, Rest House Road, Gampaha	033-2226051
Horana	87, Anguruwathota Road, Horana	034-2260152
Independent Square	30A, Independent Avenue, Colombo 7	011-2678073
Ja-Ela	19, Negombo Road, Ja-Ela	011-5342311
Jaffna	476, 476A, Hospital Road, Jaffna	021-2224018
Jaffna 2 nd	56, Stanley Road, Jaffna	021-2226033
Kadawatha	469, Ragama Road, Kadawatha	011-2920687
Kaduruwela	612-614, Batticaloa Road, Kaduruwela	027-2222416
Kalutura	218, Galle Road, Kalutura South, Kalutura	034-2229804
Kandy	88, Dalada Veediya, Kandy	081-2223697
Kandy 2 nd	22, Dalada Veediya, Kandy	081-2234292
Kegalle	110, Colombo Road, Kegalle	035-2230600
Kiribathgoda	201, Kandy Road, Kiribathgoda	011-2911304
Kollupitiya	28, St. Michael's Road, Colombo 3	011-4795036
Kurunegala	Commercial Complex, Kurunegala	037-2233880
Kurunegala 2 nd	34, Colombo Road, Kurunegala	037-2222115
Maharagama	88, High Level Road, Maharagama	011-2746146
Main Street	94, Main Street, Colombo 11	011-2447198
Manipay	174, Jaffna Road, Manipay	021-2255188
Mannar	52, Pallimunai Road, Grand Bazaar, Mannar	023-2232337
Matale	5/2, Trincomalee Street, Matale	066-2222262
Matara	11, Kumaratunga Mawatha, Matara	041-2229280
Metropolitan	York Street, Colombo 1	011-2329419
Milagiriya	248, Galle Road, Colombo 4	011-2504627
Negombo	118, Rajapakse Broadway, Negombo	031-2224711
Nugegoda	174, High Level Road, Nugegoda	011-2821287
Nuwara Eliya	43, Lawson Street, Nuwara Eliya	052-2224047
Panadura	21, Susantha Mawatha, Panadura	038-2243323
Peliyagoda	42, Negombo Road, Peliyagoda	011-2945078
Peradeniya	115/7, Sirimavo Bandaranaike Mawatha, Peradeniya	081-4475283

ANNEX A – COLLECTION POINTS

Branch Name	Branch Address	Telephone
Personal	4, Bank of Ceylon Mawatha, Colombo 1	011-2446821
Pettah	212/63, Gas Works Street, Colombo 11	011-2393544
Rajagiriya	608/1, Nawala Road, Rajagiriya	011-5368641
Ratnapura	6, Dharmapala Mawatha, Ratnapura	045-2222100
Taprobane	10, York Street, Colombo 1	011-2422267
Trincomalee	24, Inner Harbour Road, Trincomalee	026-2223084
Union Place	278, Access Tower, Colombo 2	011-2314757
Vavuniya	75, Station Road, Vavuniya	024-2222141
Wellawatta	149/2, Galle Road, Colombo 6	011-2588941

A-Grade Branches of BOC

Branch Name	Branch Address	Telephone
Akuressa	64, Matara Road, Akuressa	041-2283280
Alawwa	64, Giriulla Road, Alawwa	037-2278180
Ambalangoda	345, Galle Road, Ambalangoda	091-2256307
Ampara	115A, D.S.Senanayayka Street, Ampara	063-2222981
Athurugiriya	70/2, Malabe Road, Athurugiriya	011-2561378
Avissawella	47, Dharmapala Mawatha, Avissawella	036-2222099
Balangoda	137, Main Street, Balangoda	045-2288390
Bandaragama	Janadhipathi Mawatha, Bandaragama	038-2290280
Bandarawela	198B, Badulla Road, Bandarawela	057-2230014
Beruwala	165A, Galle Road, Beruwala	034-2279899
Biyagama	IPZ Administrative Complex, Biyagama	011-5558970
Buttala	23, Moneragala Road, Buttala	055-2273980
Central Bus Stand	Central Bus Stand, Colombo 11	011-5365118
Central Super Market	2 nd Floor, Central Super Market, Colombo 11	011-2446475
Chavakachcheri	VMK Building, Kandy Road, Chavakachcheri	021-2227396
Chilaw	Radaguru Edmund Peiris Mawatha, Chilaw	032-2223401
Dankotuwa	46, 48, Kurunegala Road, Dankotuwa	031-2258180
Digana	2, Rajawella new town, Digana	081-2376928
Divulupitiya	34, Negombo Road, Divulupitiya	031-2246280
Eheliyagoda	46, Main Street, Eheliyagoda	036-2259571
Elpitiya	Janadhipathi Mawatha, Elpitiya	091-2291280
Embilipitiya	545, New Town, Embilipitiya	047-2230980
Galgamuwa	67, 69, Anuradhapura Road, Galgamuwa	037-2253080
Gampola	44, Kadugannawa Road, Gampola	081-2350108
Hambantota	33, Tower Hill Road, Hambantota	047-2220180
Hatton	46, Circular Road, Hatton	051-2222015
Hettipola	141, Kurunegala Road, Hettipola	037-2291080
Hikkaduwa	223, Galle Road, Hikkaduwa	091-2277813
Hingurakgoda	Saint Michel Building, Main Street, Hingurakgoda	027-2247642
Hiripitiya	35/1, Kumbukgete Road, Hiripitiya	037-2264080
Homagama	93, High Level Road, Homagama	011-2855059

ANNEX A – COLLECTION POINTS

Branch Name	Branch Address	Telephone
Hulftsdorp	30, St. Sebastian Hill, Colombo 12	011-2424843
Hyde Park	500, T.B. Jayah Mawatha, Colombo 10	011-2687483
Kalmunai	78, Kitddanki Road, Kalmunai	067-2229340
Katubedde	605, Galle Road, Moratuwa	011-2625438
Katugastota	161A, Madawala Road, Katugastota	081-4471640
Kekirawa	3, Habarana Road, Kekirawa	025-2264280
Kilinochchi	23, Kandy Road, Kilinochchi	024-3248004
Kirindiwela	21, Radawana Road, Kirindiwela	033-2267280
Kollupitiya 2 nd	409, Galle Road, Colombo 3	011-2574581
Kolonnawa	430A, IDH Road, Kolonnawa	011-5557286
Kotahena	182, George R De Silva Mawatha, Colombo 13	011-2448632
Kuliyapitiya	70, Madampe Road, Kuliyapitiya	037-2281280
Lake View	142, Sir James Peiris Mawatha, Colombo 2	011-5359693
Mahiyangana	7, New Town, Badulla Road, Mahiyangana	055-2258195
Maho	145, Nikaweratiya Road, Maho	037-2275280
Maradana	94, S. Mahinda Himi Mawatha, Colombo 10	011-2689403
Matara City	Gunawardena Mawatha, Matara	041-2223920
Matugama	72, Agalawatta Road, Matugama	034-2243590
Mawanella	43, Main Street, Mawanella	035-2247915
Medawachchiya	36, Jaffna Road, Medawachchiya	025-2245683
Melsiripura	254, Dambulla Road, Melsiripura	037-2250165
Minuwangoda	66, Divulapitiya Road, Minuwangoda	011-2295214
Mirigama	12, Amaratunga Mawatha, Mirigama	033-2275975
Moneragala	401, Wellawaya Road, Moneragala	055-2276180
Moratuwa	707, Galle Road, Moratuwa	011-2646165
Mullaitivu	Paranthan Road, Pudukdiyirupu	021-2228941
Narammala	139, Negombo Road, Narammala	037-2248771
Nattandiya	Kuliyapitiya Road, Nattandiya	032-2254280
Negombo City	111, Main Street, Negombo	031-2231297
Nelliady	Thikkam Road, Karaveddy, Nelliady	021-2263260
Nikaweratiya	Puttalam Road, Nikaweratiya	037-2260280
Nittambuwa	Market Complex, Nittambuwa	033-2287280
Nivitigala	72, Kalawana Road, Nivitigala	045-2279280
Padukka	45, Hanwella Road, Padukka	011-2859112
Pannala	Public Ground Road, Pannala	037-2246080
Parliament	Sri Jayawardanapura, Kotte	011-2777309
Pelawatta	18A, Parliament Road, Battaramulla	011-2785550
Pilimalalawa	26/2, Colombo Road, Pilimalalawa	081-5740197
Piliyandala	58, Moratuwa Road, Piliyandala	011-2614165
Point Pedro	155/10, Main Street, Point Pedro	021-2263570
Polgahawela	135, Dutugamunu Junction, Kegalle Road, Polgahawela	037-2243280
Polonnaruwa New Town	286, 286/1, New Town, Polonnaruwa	027-2223009
Puttalam	53, Kurunegala Road, Puttalam	032-2265209

ANNEX A – COLLECTION POINTS

Branch Name	Branch Address	Telephone
Rambukkana	8A, Diyasunnatha Mawatha, Rambukkana	035-2265280
Ratmalana	452, Galle Road, Ratmalana	011-2719735
Regent Street	National Hospital, Colombo 10	011-2697035
Ruwanwella	Public Trade Complex, Ruwanwella	036-2268005
Seeduwa	429-429 1/1, Negombo Road, Seeduwa	011-2259590
Talawakelle	23, 25, 29, Hatton Road, Talawakelle	052-2258280
Tangalle	91/1, 91/2, Tissa Road, Tangalle	047-2240280
Thimbrigasyaya	Sambudda Jayanthi Mandiriya, Thunmulla Junction, Colombo 5	011-2594538
Thirunelveli	531, Palaly Road, Thirunelveli	021-2223948
Tissamaharama	70, Main Street, Tissamaharama	047-2237280
Wattala	520, Negombo Road, Wattala	011-5368394
Weligama	239, Main Street, Weligama	041-2250280
Welimada	12-12A, Hemapala Munidasa Mawatha, Welimada	057-2245984
Welisara	540/2, Negombo Road, Welisara	011-2958485
Wennappuwa	197, Chilaw Road, Wennappuwa	031-2255280

Branches of NDB

Branch Name	Branch Address	Telephone
Ambalangoda	333, Galle Road, Ambalangoda	091-2256562
Ambalantota	127, Main Street, Ambalantota	047-2225552
Ampara	103F, D. S. Senanayake Street, Ampara	063-2223209
Anuradhapura	522C, Maithreepala Senanayake Mawatha, Anuradhapura	025-4581142
Athurugiriya	70/20C, Main Street, Athurugiriya	011-2563325
Avissawella	93, Ratnapura Road, Avissawella	036-2233610
Badulla	242, Lower Street, Badulla	055-2231419
Bandarawela	317, Main Street, Bandarawela	057-2233690
Batticaloa	42/1, Trinco Road, Batticaloa	065-2227944
Boralasgamuwa	49, Colombo Road, Boralasgamuwa	011-2509701
Borella	31/5, Dr N M.Perera Mawatha, Colombo 08	011-2694484
Chilaw	50-52, Skyline Building, Colombo Road, Chilaw	032-2220107
Colombo 07	103A, Dharmapala Mawatha, Colombo 07	011-2448448
Galle	1A, Abeysekara Building, Wakwella Road, Galle	091-2224136
Gampaha	153, Colombo Road, Gampaha	033-2225051
Gampola	75, Nuwaraeliya Road, Gampola	081-2354400
Havelock Town	117, Havelock Road, Colombo 05	011-2591140
Homagama	64, Highlevel Road, Homagama	011-2894880
Horana	135, Panadura Road, Horana	034-2265171
Ja-Ela	121, Colombo Road, Ja-Ela	011-2248982
Jaffna	62/6, Stanley Road, Jaffna	021-2221180
Kadawatha	147, Kandy Road, Kadawatha	011-2926453
Kalmunai	165, Batticaloa Road, Kalmunai	067-2225781
Kalutara	290, Galle Road, Kalutara South	034-2229680
Kandana	54, Negombo Road, Kandana	011-2228601

ANNEX A – COLLECTION POINTS

Branch Name	Branch Address	Telephone
Kandy	133, Kotugodella Veediya, Kandy	081-2202776
Kegalle	261/1, Kandy Road, Kegalle	035-2232536
Kiribathgoda	139/1, Kandy Road, Kiribathgoda	011-2907511
Kohuwala	118, S De S Jayasinghe Mawatha, Kohuwala	011-2814224
Kollupitiya	712, Galle Road, Colombo 03	011-2504961
Kotahena	295, George R De Silva Mawatha, Colombo 13	011-2436169
Kuliyapitiya	133, Main Street, Kuliyapitiya	037-2281255
Kurunegala	6, Rajapihilla Mawatha, Kurunagala	037-2231952
Maharagama	108A, Highlevel Road, Maharagama	011-2745091
Malabe	760, Kaduwela Road, Malabe	011-2762345
Matale	144, Main Street, Matale	066-2224405
Matara	60, Uyanwatte Road, Matara	041-2231542
Matugama	98, Agalawatta Road, Matugama	034-2249509
Moratuwa	255, Galle Road, Idama, Moratuwa	011-2642021
Mt. Lavinia	270, Galle Road, Mt Lavinia	011-2739176
Narahenpita	42, Kirimandala Mawatha, Colombo 05	011-2369580
Nawam Mawatha	42, DHPL Building, Nawam Mawatha	011-2314640
Negombo	456, Main Street, Negombo	031-2220246
Nittambuwa	496, Kandy Road, Nittambuwa	033-2294931
Nugegoda	152, Nawala Road, Nugegoda	011-2820885
Panadura	319, Galle Road, Panadura	038-2241893
Pelawatta	730A, Pannipitya Road, Pelawatte, Battaramulla	011-2786708
Pettah	202, Main Street, Colombo 11	011-2331204
Pilimathalawala	239, Colombo Road, Pilimathalawala	081-2579665
Piliyandala	21, Second Cross Street, Piliyandala	011-2604600
Puttalam	104, Kurunegala Road, Puttalam	032-2265529
Rajagiriya	505, Sri Jayawardenapura Etul Kotte, Kotte	011-2885790
Ratmalana	143C, "Mount City", Galle Road, Ratmalana	011-2719361
Ratnapura	32A, Zavia Road, Ratnapura	045-2230910
Trincomalee	91 & 93, North Coast Road, Trincomalee	026-2226771
Vavuniya	2, First Cross Street, Vavuniya	024-2225780
Wariyapola	Navinna Building, Puttlam Road, Wariyapola	037-2267838
Wattala	378A, Negombo Road, Wattala	011-2981519
Wellawatta	302, Galle Road, Colombo 06	011-2361903
Wennappuwa	56C, Main Street, Wennappuwa	031-2245431

ANNEX B – CUSTODIAN BANKS

Bank of Ceylon

Head Office
11th Floor
04, Bank of Ceylon Mawatha, Colombo 01

Tel: 011 2317777, 011 2448348, 011 2338742/55,
011 2544333

Banque Indosuez

C/O Hatton National Bank Limited
Cinnamon Garden Branch
251, Dharmapala Mawatha, Colombo 07

Tel: 011 2686537, 011 2689176

Citi Bank, N A

65 C, Dharmapala Mawatha
P.O. Box 888, Colombo 07

Tel: 011 2447316/8, 011 2447318, 011 2449061,
011 2328526, 011 4794700

Commercial Bank of Ceylon PLC

Commercial House
21, Bristol Street
P.O. Box 853, Colombo 01

Tel: 011 2445010-15, 011 238193-5, 011 430420,
011 336700

Deutsche Bank AG

P.O. Box 314
86, Galle Road, Colombo 03

Tel: 011 2447062, 011 2438057

Hatton National Bank PLC

HNB Towers
479, T. B. Jayah Mawatha, Colombo 10

Tel: 011 2664664

The Hong Kong and Shanghai Banking Corporation Limited

24, Sir Baron Jayathilake Mawatha, Colombo 01

Tel: 011 2325435, 011 2446591, 011 2446303,
011 2346422

People's Bank

Head Office, 5th Floor
Sir Chittampalam A Gardiner Mawatha, Colombo 02

Tel: 011 2781481, 011 237841-9, 011 2446315/6,
011 2430561

Standard Chartered Bank

37, York Street
P. O. Box 112, Colombo 01

Tel: 011 4794400, 011 2480000

Sampath Bank PLC

110, Sir James Peiris Mawatha, Colombo 02

Tel: 011 5331441

State Bank of India

16, Sir Baron Jayathilake Mawatha, Colombo 01

Tel: 011 2326133-5, 011 2439405-6, 011 2447166,
011 2472097

Seylan Bank PLC

Level 8, Ceylinco Seylan Towers
90, Galle Road, Colombo 03

Tel: 011 2456789, 011 4701812, 011 4701819,
011 4701829

Union Bank of Colombo PLC

15A, Alfred Place, Colombo 03

Tel: 011 2370870

Nations Trust Bank PLC

256, Sri Ramanathan Mawatha, Colombo 15

Tel: 011 4313131

National Savings Bank

255, Galle Road, Colombo 03

Tel: 011 2573008-15

Pan Asia Banking Corporation PLC

Head Office
450, Galle Road, Colombo 03

Tel: 011 2565565

Public Bank Berhad

340, R A De Mel Mawatha, Colombo 03

Tel: 011 2576289, 011 7290200-07

ANNEX C – SCHEDULE OF SHARE ALLOTMENTS AND SHAREHOLDINGS OF AEL

Full Name of Shareholder	Shareholding Before Capitalisation of Reserves on March 21, 2011		Capitalisation of Reserves on March 21, 2011 at a consideration of Rs. 10/- per Share		Subsequent to Sub-division of Shares (one (1) existing Share into two (2) Shares) on March 31, 2011	Capitalisation of Reserves on May 11, 2011 at a consideration of Rs. 5/- per Share		Net Share Transfers on May 25, 2011		Issue of Shares on June 9, 2011 at a consideration of Rs. 25/- per Share through the Prospectus dated May 30, 2011	Shareholding of AEL as at January 10, 2012	
	Number of Shares	%	Number of Shares Allotted (2:1)	Number of Shares Held After Capitalisation		Number of Shares Allotted (1:3)	Number of Shares Held After Capitalisation	Number of Shares Transferred	Shareholding After Share Transfer		Number of Shares Allotted	Number of Shares
Mr. Sumal Joseph Sanjiva Perera - Note 1	44,999,998	45.00%	89,999,996	134,999,994	269,999,988	89,999,996	359,999,984	(70,399,984)	289,600,000	-	250,300,320	25.54%
Mr. Joseph Christopher Joshua	24,999,999	25.00%	49,999,998	74,999,997	149,999,994	49,999,998	199,999,992	(99,999,992)	100,000,000	-	100,000,000	10.20%
Mr. Ranjan John Suriyakumar Gomez	24,999,999	25.00%	49,999,998	74,999,997	149,999,994	49,999,998	199,999,992	(79,999,992)	120,000,000	-	120,000,000	12.24%
Mrs. Ramani Marie Nelum Joshua	1	0.00%	2	3	6	2	8	69,999,992	70,000,000	-	70,000,000	7.14%
Mr. Shamal Joseph Shavindra Perera	2,500,000	2.50%	5,000,000	7,500,000	15,000,000	5,000,000	20,000,000	25,000,000	45,000,000	-	45,000,000	4.59%
Mrs. Devinka Rumali Swasha Malalasekara	2,500,001	2.50%	5,000,002	7,500,003	15,000,006	5,000,002	20,000,008	24,999,992	45,000,000	-	45,000,000	4.59%
Mrs. Dona Rumali Shama Perera	1	0.00%	2	3	6	2	8	(8)	-	-	-	-
Mrs. Shanaz Gomez	1	0.00%	2	3	6	2	8	(8)	-	-	-	-
Mr. Ranshan Jude Gomez	-	-	-	-	-	-	-	25,000,000	25,000,000	-	25,000,000	2.55%
Mr. Shehan Anthony Aloysius Gomez	-	-	-	-	-	-	-	25,000,000	25,000,000	-	25,000,000	2.55%
Mr. Dalpadoruge Anton Rohana Fernando	-	-	-	-	-	-	-	24,000,000	24,000,000	-	24,000,000	2.45%
Mr. Shevantha Harindra Sudharaka Mendis	-	-	-	-	-	-	-	24,000,000	24,000,000	-	24,000,000	2.45%
Mr. Saumya Dharshana Munasinghe	-	-	-	-	-	-	-	24,000,000	24,000,000	-	24,000,000	2.45%
Mr. Thiththalapitige Anton Gratton Fernando	-	-	-	-	-	-	-	6,400,000	6,400,000	-	6,400,000	0.65%
Mr. Suresh Dilhan Perera	-	-	-	-	-	-	-	2,000,000	2,000,000	-	2,000,000	0.20%
John Keells Holdings PLC	-	-	-	-	-	-	-	-	-	40,000,000	40,000,000	4.08%
Mr. Ajita de Zoysa - Note 2	-	-	-	-	-	-	-	-	-	15,000,000	1,000,000	0.10%
Associated Electrical Corporation Ltd	-	-	-	-	-	-	-	-	-	12,000,000	12,000,000	1.22%
Guardian Capital Partners PLC	-	-	-	-	-	-	-	-	-	8,000,000	8,000,000	0.82%
Barclays Bank Plc Singapore Branch (Wealth Management)	-	-	-	-	-	-	-	-	-	8,000,000	8,000,000	0.82%
MAS Capital (Pvt) Ltd	-	-	-	-	-	-	-	-	-	6,000,000	6,000,000	0.61%
Indra Traders (Pvt) Ltd	-	-	-	-	-	-	-	-	-	4,000,000	4,000,000	0.41%
Access Telecommunication Services (Pvt) Ltd	-	-	-	-	-	-	-	-	-	4,000,000	4,000,000	0.41%
Access International (Pvt) Ltd	-	-	-	-	-	-	-	-	-	2,200,000	2,200,000	0.22%
Royal Ceramics Lanka Plc	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Capital Trust Holdings (Pvt) Ltd	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Mrs. Handunnethe Geetha Dangalla - Note 4	-	-	-	-	-	-	-	-	-	2,000,000	-	-

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Full Name of Shareholder	Shareholding Before Capitalisation of Reserves on March 21, 2011		Capitalisation of Reserves on March 21, 2011 at a consideration of Rs. 10/- per Share		Subsequent to Sub-division of Shares (one (1) Shares into two (2) Shares) on March 31, 2011	Capitalisation of Reserves on May 11, 2011 at a consideration of Rs. 5/- per Share		Net Share Transfers on May 25, 2011		Issue of Shares on June 9, 2011 at a consideration of Rs. 25/- per Share through the Prospectus dated May 30, 2011	Shareholding of AEL as at January 10, 2012	
	Number of Shares	%	Number of Shares Allotted (2:1)	Number of Shares Held After Capitalisation		Number of Shares Allotted (1:3)	Number of Shares Held After Capitalisation	Number of Shares Transferred	Shareholding After Share Transfer		Number of Shares Allotted	Number of Shares
Rosewood (Pvt) Ltd	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Mr. Shankar Varadananda Somasunderam	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Abbiani Holdings (Pvt) Ltd	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Spice Island (Pvt) Ltd	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Seylan Bank PLC / Mr.W.D.N.H.Perera	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Mr. Vethody Kumaran Vasan	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Mr. Kulappuarachchige Don Dhammika Perera	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Softlogic Capital Ltd	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Mr. Kushal Rajika Joseph Perera	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	0.20%
Mr. Luo Maofeng	-	-	-	-	-	-	-	-	-	1,600,000	1,600,000	0.16%
Mr. Shivantha Chulaka De Zoysa	-	-	-	-	-	-	-	-	-	1,600,000	1,600,000	0.16%
Mr. Romesh Dias Bandaranaike	-	-	-	-	-	-	-	-	-	1,200,000	1,200,000	0.12%
Mr. Mahabaduge Vasantha Kumar Jayasuriya	-	-	-	-	-	-	-	-	-	1,200,000	1,200,000	0.12%
Mr. Bhagvan Wassiamal Kundanmal	-	-	-	-	-	-	-	-	-	1,200,000	1,200,000	0.12%
Foundation Garment (Pvt) Ltd	-	-	-	-	-	-	-	-	-	1,200,000	1,200,000	0.12%
Equity Investments Lanka Ltd	-	-	-	-	-	-	-	-	-	1,200,000	1,200,000	0.12%
Ms. Amisha Pia de Zoysa	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Mr. Dinesh Ajit de Zoysa	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Mr. Ashan Suresh de Zoysa	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Fergasam Garment Industries (Pvt) Ltd	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Laug's Holdings Ltd	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Mr. Tulsidas Mahendran Walloppillai	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Mr. Nishan Rajiv Perera	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Janashakthi Ltd	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
J B Cocoshell (Pvt) Ltd	-	-	-	-	-	-	-	-	-	1,000,000	1,000,000	0.10%
Enagewise (Pvt) Ltd	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Timex Garments (Pvt) Ltd	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Mr. Betram Manson Amarasekara	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%

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	Number of Shares	%	Number of Shares Allotted (2:1)	Number of Shares Held After Capitalisation		Number of Shares Allotted (1:3)	Number of Shares Transferred	Shareholding After Share Transfer	Number of Shares Allotted		Number of Shares	%
Metrocorp (Pvt) Ltd	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Mr. Chokshanananda Kumar Sangakkara	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Mr. Thiththalapitige Adrian Gihan Fernando	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Ms. Tania Marie Perera	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Mr. Thantulege Theophilus Bede Claude Fernando/ Mrs. Anoma Chandrasekara Fernando	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
BRUW Enterprises (Pvt) Ltd	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Seylan Bank PLC/ Mr. Zaki Alif	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Pheonix Ventures Ltd	-	-	-	-	-	-	-	-	-	800,000	800,000	0.08%
Mr. Vijaya Prasanna Malalasekara/ Mrs. Nirmalie Roshan Malalasekara	-	-	-	-	-	-	-	-	-	600,000	600,000	0.06%
Mr. Ahintha Anthony Viswajith Amarasinghe	-	-	-	-	-	-	-	-	-	600,000	600,000	0.06%
Mr. Sanjiv Prasanna Malalasekara	-	-	-	-	-	-	-	-	-	600,000	600,000	0.06%
Mr. Muditha Prasanna Jayasinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Jayampathie Cleri Perera Jayasinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Dr. Kanishka Anushal Amarasinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Ms. Sumithra Moonesinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mrs. Sharmini Marie Wijesinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Kariyawasam Goonapingwala Ranjan Mohan Wijesinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Vasantha Leelananda	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Anuka Bandulla Anthony Soza	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Nadarajah Murali Prakash	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Lalith Clarence Peiris Gooneratne	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Ranil Prasad Pathirana	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Hettiarachchige Winslie Joseph Rodrigo	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Anil Manilal de Mel	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Jeann Holdings (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Prasanna Goonetilleke	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%

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	Number of Shares	%	Number of Shares Allotted (2:1)	Number of Shares Held After Capitalisation		Number of Shares Allotted (1:3)	Number of Shares Transferred	Shareholding After Share Transfer	Number of Shares Allotted		Number of Shares	%
Mr. Jayasinghe Arachchige Shanil Telesphore Perera	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Akurugoda Gamage Pubudu Asanga Gunawansa	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Gamini Wijekoon Kannangara	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Amila Nalindra de Alwis	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Gerard Shamil Niranjan Peiris	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Joseph Dacius Nihal Kekulawata/ Mrs. Mary Tushara Kekulawala	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Percy Joseph Kotuwila	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Shirley Gerard Devinda Amarasinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Ekanayake Mudiyansele Moraj Priyantha Ekanayake	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Hayleys PLC	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Piranavan Sivagananathan	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Douglas & Sons (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Bethmuge Saroj Ushantha Perera	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Chinthamana Hettige Sarath Kumara Pyaratne	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Akshy Anilkumar Hirdaramani	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Dave Anthony de Silva	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Merenchige Wasantha de Silva	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Shermal Hemaka Jayasuriya	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Abbasally Nuruddin Esufally	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Kaluarachchige Gerard Hirantha Perera	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Argent Capital (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Navin Marino Paul Jayawardena	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Murtaza Adamjee Lukmanjee	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Adamjee Lukmanjee & Sons (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Rajpal Kumar Obeysekere	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Gardiye PUNCHIHEWA Romesh Rukmal De Silva	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%

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	Number of Shares	%	Number of Shares Allotted (2:1)	Number of Shares Held After Capitalisation		Number of Shares Allotted (1:3)	Number of Shares Transferred	Shareholding After Share Transfer	Number of Shares Allotted		Number of Shares	%
Mr. Mohammad Naveed Hussain	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mrs. Nadira William	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Alisdair William Scarr	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Seylan Bank PLC/Mr. D.N.Daluwatta	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Dimuth Hemantha Fernando	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mrs. Maheshi Surasinghe Wijeratne	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Auro Holdings (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Sudharshan Ahangama	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Ms. Anne Judith Sylvia Nimshi Amerasinghe	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Dr. Mohamed Jezri Mohideen	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Ashyaki Holdings (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Mohideen Ishard Liyaqath Ally	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Ms. Shania Therese Obeysekera	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Stefan Andre Juriansz	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Rajiv Priyan Malalasekara	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Paththiniya Duraage Gunendra Jayasena - Note 3	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Jehan Marque Micheal Arthur Rathayeke	-	-	-	-	-	-	-	-	-	400,000	160,000	0.02%
Printxcel (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Deutsche Bank AG-Pyramid Unit Trust	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Hi Line Trading (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Tilak De Zoysa	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Virann Thusita De Zoysa	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Pathiranga Arthur Dias Samarasekara	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mrs. Muthuthanthri Patabendige Suraji Chamila Cooray Gunaratna	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Darwin Christopher Chandiram	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
JFP Packaging (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Mr. Govindasamy Ramanan	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Access Industrial Systems (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%
Reprographics (Pvt) Ltd	-	-	-	-	-	-	-	-	-	400,000	400,000	0.04%

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	Number of Shares	%	Number of Shares Allotted (2:1)	Number of Shares Held After Capitalisation	Number of Shares After Sub-Division	Number of Shares Allotted (1:3)	Number of Shares Held After Capitalisation	Number of Shares Transferred	Shareholding After Share Transfer	Number of Shares Allotted	Number of Shares	%		
Mr. Alexis Indrajit Lovell	-	-	-	-	-	-	-	-	-	-	-	16,000,000	1.63%	
Mr. Nishan Thinesh Chandraratne	-	-	-	-	-	-	-	-	-	-	-	240,000	0.02%	
Shares gifted to 953 Employees - Note 1	-	-	-	-	-	-	-	-	-	-	-	39,299,680	4.01%	
Total	100,000,000	100.00%	200,000,000	300,000,000	600,000,000	200,000,000	800,000,000	800,000,000	800,000,000	180,000,000	980,000,000	100.00%		

Note 1:
1(a) Mr. Sumal Joseph Sanjiva Perera gifted 39,299,680 Shares to employees on January 10, 2012 and a further 300,320 Shares are to be gifted to employees prior to the listing of the Shares of the Company on the CSE. Subsequent to the gifting of 300,320 Shares to employees, Mr. Sumal Joseph Sanjiva Perera would hold 250,000,000 Shares (25.51%) of AEL.

1(b) The three founder shareholders of AEL namely, Mr. Sumal Joseph Sanjiva Perera, Mr. Joseph Christopher Joshua and Mr. Ranjan John Suriyakumar Gomez agreed to gift out of their total shareholding a 120,000,000 Ordinary Voting Shares of AEL to employees including Executive Directors. Mr. Suresh Dilhan Perera who was an Executive Director at the time of gifting of such Shares (resigned subsequently from the Board) was a beneficiary for 2,000,000 Shares. Out of Mr. Sumal Joseph Sanjiva Perera's shareholding of 250,300,320 as at January 10, 2012, 300,320 Shares held by him are to be gifted to employees. Apart from 300,320 Shares in respect of which the gifting to employees is not completed, the balance 119,699,680 Shares were gifted on May 25, 2011 (80,400,000 Shares) and January 10, 2012 (39,299,680 Shares) respectively. The aforesaid 300,320 Shares held by Mr. Sumal Joseph Sanjiva Perera, are to be gifted to employees prior to the listing of the Shares of the Company on the CSE. Subsequent to the gifting of the balance 300,320 Shares to employees, Mr. Sumal Joseph Sanjiva Perera would hold 250,000,000 Shares (25.51%) of AEL.

Note 2:
Out of the 15,000,000 Shares held by Mr. Ajita de Zoysa, Shares amounting to 14,000,000 has been transferred to Mr. Alexis Indrajit Lovell on August 02, 2011 at a consideration of Rs. 25/- per Share.

Note 3:
240,000 Shares held by Mr. Paththiniya Durage Gunendra Jayasena has been transferred to Mr. Nishan Thinesh Chandraratne on November 08, 2011 at a consideration of Rs. 25/- per Share.

Note 4:
2,000,000 Shares held by Ms. Handunnethe Geetha Dangalla has been transferred to Mr. Alexis Indrajit Lovell on December 07, 2011 at a consideration of Rs. 25/- per Share



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