





The horizon—the delicate line where earth and sky appear to meet—is a timeless symbol of possibility and pursuit. It marks the boundary of our vision, the farthest point we can see, yet it beckons us onward, reminding us that what lies beyond is always within reach. Just as the horizon shifts with every step forward, so too does progress unfold with steady resolve and unwavering vision.

This meeting of sky and land is more than a mere boundary—it is a promise of expansion and renewal, a quiet testament to the endless journey of growth. It embodies the courage to embrace the unknown, the persistence to surpass limitations, and the foresight to build for tomorrow while rooted firmly in today.

At the boundary where the known meets the unknown, the horizon stands as a symbol of hope and endless possibility—inviting us to embrace change, pursue growth, and journey toward new experiences yet to be discovered.

# Expanding Horizons, Sustaining Futures

For years, Access Engineering has stood as Sri Lanka's most trusted name in construction—the force behind the roads we travel, the cities we grow, and the infrastructure that sustains a nation. But we were never meant to remain only what we were. Our roots in engineering gave us more than expertise—they gave us perspective, and from that foundation, we began to grow. What started as a single focus has become a platform for transformation. Our reach now extends into areas that shape life itself—energy, mobility, health, and innovation. Yet through it all, we remain engineers at heart: solving real problems, building real solutions.

Raw materials became more than inputs, they marked the quiet beginnings of infrastructure, prompting deeper expertise in **construction materials production**.

Energy evolved from a utility into a responsibility, sparking a commitment to **renewable energy**.

Mobility transformed from simple motion into a vehicle for opportunity, leading to new ventures in **automobiles**.

Machines no longer represented just mechanics, but the promise of progress — and **mechanical engineering** became a new frontier.

Land was reimagined as potential, not possession, shaping a renewed approach to property development through **commercial office spaces and warehouses**.

Living spaces grew beyond function to become expressions of lifestyle — inspiring the rise of modern **condominiums**.

Cancer care revealed itself as a lifeline, not an industry — leading to vital investments in **radiopharmaceuticals**

The earth itself emerged as a source of sustainable innovation, not just extraction, and we saw every new endeavour as a deeper extension of our purpose.

In 2024/25, we continued to evolve, not by chasing growth, but by engineering it: always with intention, always with impact. Because for us, the horizon is limitless, it is the space where vision becomes structure.

And that's why today at Access Engineering, we are expanding horizons, sustaining futures.



# CONTENTS

## ABOUT THIS REPORT

- 08 About Access Engineering
- 10 Our Journey

### KEY HIGHLIGHTS FOR 2024/25

- 14 Group Structure
- 16 Financial Highlights
- 17 Non Financial Highlights
- 18 Chairman's Statement
- 20 Joint Statement by Exec Chairman & MD

## STRATEGY AND FOCUS

- 28 Value Creation Model
- 30 Stakeholder Engagement
- 37 SWOT Analysis
- 38 PESTEL Analysis
- 42 Material Topics
- 48 Strategy and Resource Allocation
- 51 Sustainability Commitments
- 53 SLFRS S1 & S2 Adoption
- 54 Business Portfolio
- 57 Spread of Projects

## MANAGEMENT DISCUSSION & ANALYSIS

- 60 Operating Environment

### BUSINESS SEGMENT REVIEW

- 62 Civil Engineering
- 82 Construction Materials Production
- 87 Mechanical Engineering
- 91 Properties- Commercial Offices
- 95 Properties- Commercial Warehouses
- 101 Condominium Properties
- 104 Renewable energy
- 106 Automobile
- 110 Radiopharmaceutical
- 113 Way Forward

### CAPITAL MANAGEMENT REVIEW

- 114 Capital Overview
- 115 Financial Capital
- 123 Manufactured Capital
- 128 Intellectual Capital
- 134 Human Capital
- 147 Social and Relationship Capital
- 156 Natural Capital
- 166 Capital Trade-Offs

# 18

## Chairman's Statement



## GOVERNANCE AND STEWARDSHIP

- 168 Board of Directors
- 172 Corporate Management Team
- 176 Corporate Governance
- 207 Statement by the Senior Independent Director
- 208 Nomination and Governance Committee Report
- 210 Audit Committee Report
- 213 Related Party Transactions Review Committee Report
- 215 Remuneration Committee Report
- 217 Investment & Subsidiary Performance Monitoring Committee Report
- 219 Managing Risks and Opportunities
- 231 Investor Relations
- 236 GRI Content Index
- 244 Independent Assurance Report To Access Engineering PLC

## FINANCIAL INFORMATION

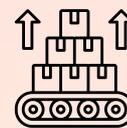
- 248 Annual Report of the Board of Directors on the Affairs of the Company
- 255 Statement of Directors' Responsibility
- 256 Directors' Statement on Internal Control
- 257 Independent Auditors' Report
- 262 Statement of Profit or Loss and Other Comprehensive Income
- 263 Statement of Financial Position
- 264 Statement of Changes in Equity
- 265 Statement of Cash Flows
- 267 Index to the Financial Statements
- 268 Notes to the Financial Statements

## SUPPLEMENTARY INFORMATION

- 342 Operating Structure
- 343 Ten-year Summary
- 344 Directors of Group Companies
- 345 Notice of Meeting
- 347 Form of Proxy
- IBC Corporate Information



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital



# ABOUT THIS REPORT



## OVERVIEW

As a leader in Sri Lanka's engineering and infrastructure sectors, the Access Engineering PLC Group has always sought to be the benchmark for reporting excellence through the publication of its Integrated Annual Report.

The current report provides a holistic account of the Group's strategic priorities, operational achievements, and sustainable value creation efforts across the financial year.

Since commencing its integrated reporting journey, this is the latest consecutive integrated report published by the Group. Previous Integrated Annual Reports, including the most recent report for FY 2023/24, are available for viewing and download under the Investor Relations section of the corporate website - <https://accessengsl.com/investors/>



## TARGET AUDIENCE

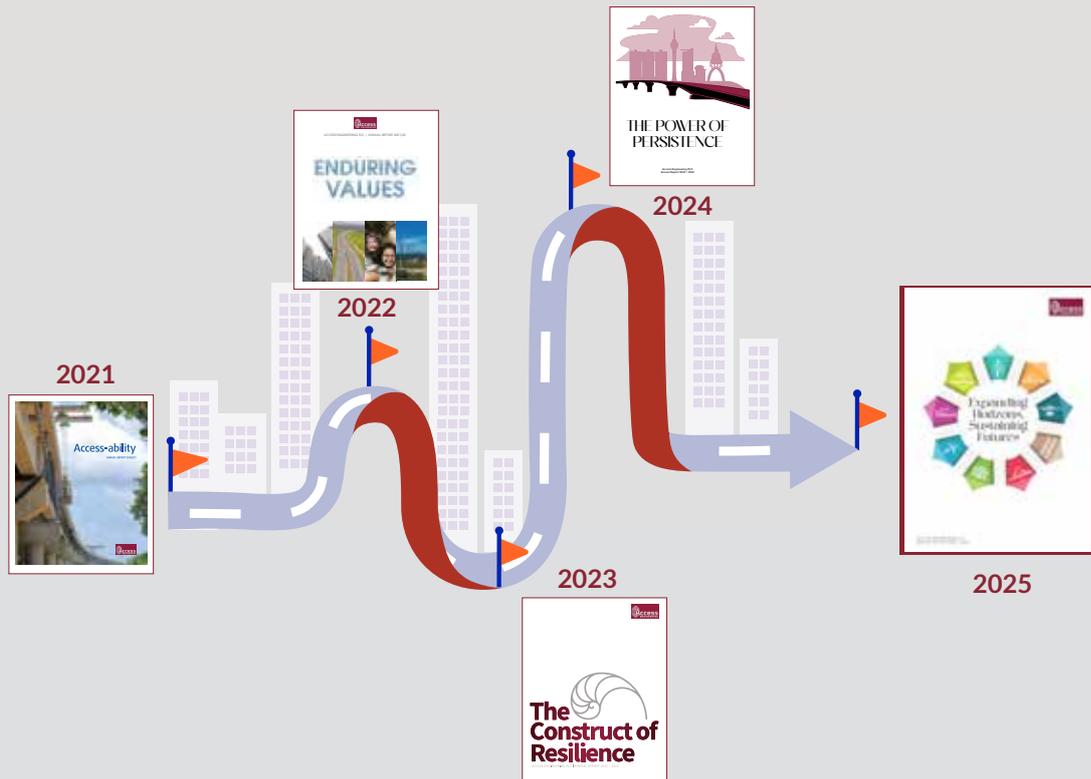
- » Board Of Directors
- » Corporate Management
- » Investors And Shareholders
- » Banks And Respective Lenders
- » Employees
- » Government And Regulatory Bodies
- » Clients And Customers
- » Suppliers And Subcontractors
- » Business Partners
- » Society
- » Industry Peers And Competitors



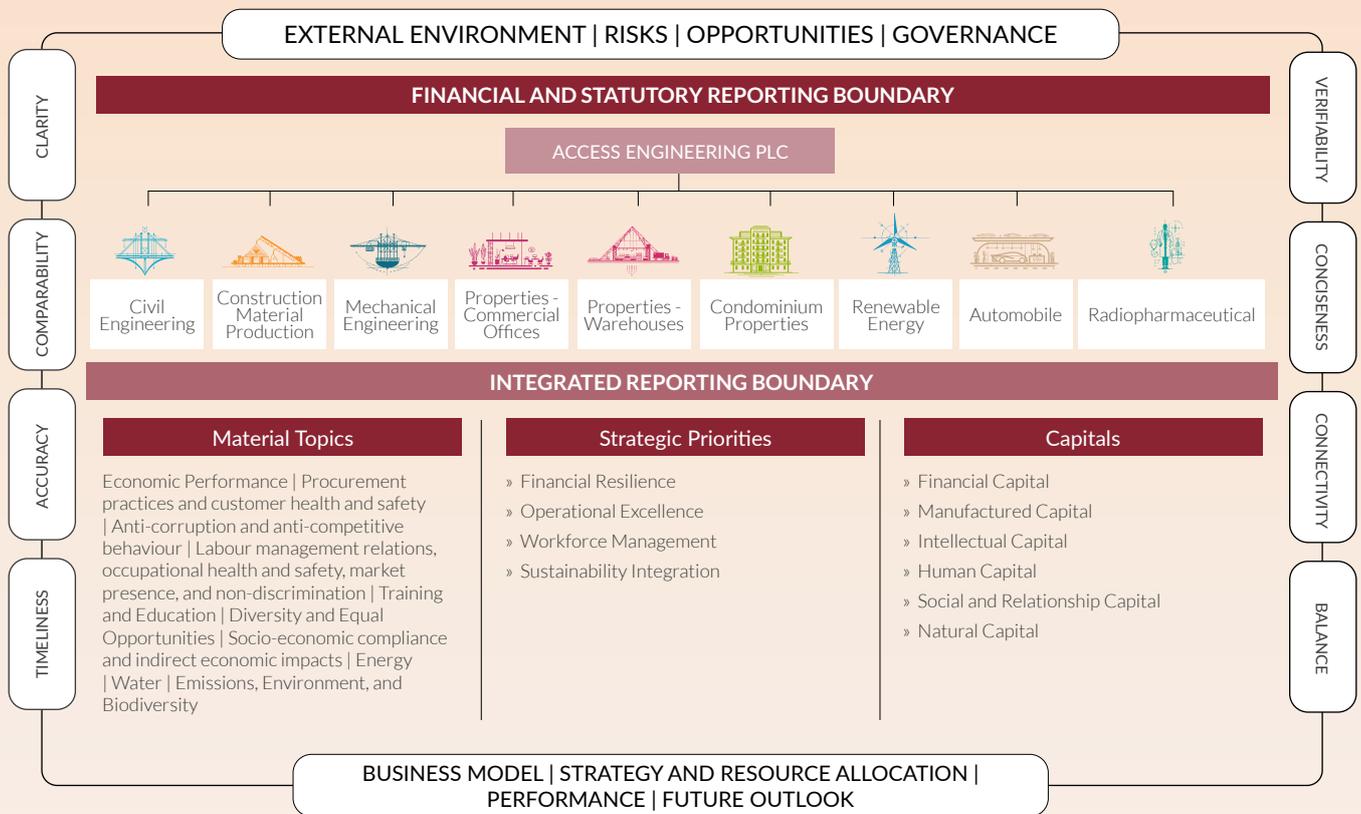
GRI 2-1, 2-2, 2-3

## SCOPE AND BOUNDARY

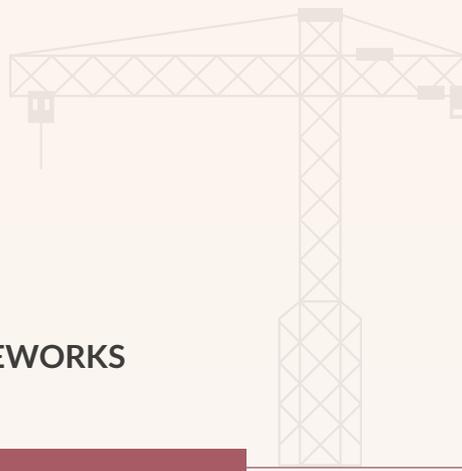
Access Engineering PLC (the Company) and its Subsidiaries (collectively referred to as the Group). These consolidated financial statements present the financial results of Access Engineering PLC and its subsidiaries. Unless otherwise specified, the non-financial information presented in this report relates solely to the operations of Access Engineering PLC. There were no material changes to the reporting boundaries during the year under review compared to the previous year.



**Reporting Boundary for the FY 2024/25 Integrated Report**



## ABOUT THIS REPORT



### REPORTING FRAMEWORKS

#### INTEGRATED REPORTING (V)

- » International <IR> Framework 2021
- » “A Preparer’s Guide to Integrated Corporate Reporting” issued by the Institute of Chartered Accountants of Sri Lanka

#### SUSTAINABILITY REPORTING (V)

- » Global Reporting Initiative (GRI) standards - ‘In Accordance’, issued by Global Sustainability Standards Board
- » United Nations Sustainable Development Goals

#### FINANCIAL REPORTING (M)

- » Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka
- » Companies Act No. 07 of 2007
- » Listing Rules of the Colombo Stock Exchange

#### GOVERNANCE, COMPLIANCE AND RISK REPORTING

- » Code of Best Practice for Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka (V)
- » Corporate Governance Requirements stipulated under the Listing Rules of the Colombo Stock Exchange (CSE) - (M)
- » Securities and Exchange Commission Regulations (M)

M - Mandatory Requirements

V - Voluntary Adoption



GRI 2-5

### ASSURANCE

Assurance on the integrity and accuracy of this Integrated Annual Report has been obtained through a combination of internal validations and external independent reviews. Accordingly, all content presented herein has first been subject to a rigorous internal review, starting with initial approvals from the respective business unit heads followed by a thorough scrutiny by the Board Audit Committee prior to being presented for final approval by the Board of Directors.

The financial statements included in this report have been independently audited by the external Auditors - Messrs. KPMG Chartered Accountants to ensure adherence to applicable accounting standards and statutory requirements. The independent assurance report by the External Auditor is presented on pages 257 to 261.

Further reinforcing the Group’s commitment to transparent and reliable reporting across financial and non-financial performance dimensions, independent assurance has been obtained on selected non-financial sustainability disclosures. This independent assurance report is on pages 244 to 245.

## FORWARD-LOOKING STATEMENTS

The Group accepts that this Integrated Annual Report may contain statements that could be interpreted as “forward-looking.” Such statements have been made based on information available at the time of publication and reflect the Group’s current assumptions and expectations regarding future operations, performance, and strategic direction. However, actual outcomes may differ materially due to a range of internal and external factors, including but not limited to market dynamics, regulatory developments, macroeconomic shifts, and geopolitical uncertainties.

Accordingly, readers are advised to interpret such forward-looking statements with caution and avoid placing undue reliance on them, as they are inherently subject to uncertainty and change. The AEL Group does not undertake any obligation to update or revise these statements in light of future developments or events that may occur after the publication of this report.

The Board of Directors confirms that certain prior period disclosures presented in previous Integrated Annual Reports have been restated to reflect updated information and ensure consistency with current reporting practices. [GRI 2-4](#)

[GRI 2-5, 2-14](#)

## BOARD RESPONSIBILITY STATEMENT

The Board of Directors of Access Engineering PLC acknowledges its responsibility for ensuring the integrity of this Integrated Annual Report. The Board has carefully reviewed the assurance processes undertaken and is satisfied that a robust and effective control environment exists to support the completeness and reliability of the information presented.

Furthermore, the Board is of the opinion that, to the best of its knowledge and belief, this report addresses all matters material to stakeholder decision-making, in line with the Company’s value creation process.

The Annual Report of the Board of Directors on the Affairs of the Company which is on pages 248 to 255, includes an acknowledgement of the Directors’ responsibilities with regard to the Annual Report.

[GRI 2-3](#)

## FEEDBACK

The AEL Group encourages stakeholders to provide feedback on this Integrated Annual Report which is seen as a valuable opportunity to improve the quality of future publications by the Group. All feedback and queries should be directed to:

Rohana Fernando  
Managing Director,  
Access Engineering PLC,  
12th Floor, Access Tower,  
Union Place,  
Colombo 02  
Phone : +94 11 760 6606  
Email : rohana@accessengsl.com

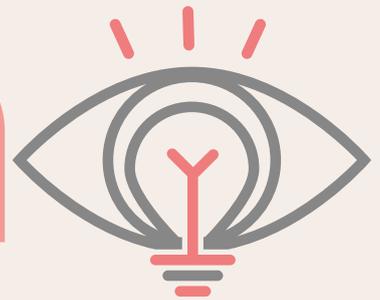
## ABOUT ACCESS ENGINEERING PLC

Since its inception, Access Engineering PLC (AEL) has played a defining role in shaping Sri Lanka's built environment. Recognized as one of the country's leading infrastructure developers, we have delivered a wide spectrum of high-impact projects—from roads, bridges, ports and water supply systems to urban infrastructure and commercial spaces—underpinned by deep technical expertise and a commitment to engineering excellence.

While civil engineering remains our core, this year marked a significant milestone with the formal disclosure of our diversified business portfolio. Today, AEL operates across nine integrated segments, reflecting a forward-looking strategy that balances sector leadership with sustainable growth.

Our ability to provide end-to-end, future-ready solutions stems from a combination of strong local insight, multidisciplinary collaboration, and world-class capabilities. We remain committed to delivering engineering solutions that empower communities, drives national development, and generates long-term value for all stakeholders.

# Vision



To be the foremost Sri Lankan business enterprise in value engineering.

# Mission



To meet the challenges in the development of multisector civil engineering projects, providing innovative solutions whilst developing long-term progressive relationships with all our stakeholders.

# OUR JOURNEY

## ▶ WHERE WE STARTED



- » Incorporated as a public limited liability company
- » Accredited as a Major Specialist Contractor by the National Construction Association of Sri Lanka (NCASL)

2001

- » Awarded highest accreditations in various fields of civil engineering by the Institute of Construction Training and Development (ICTAD)
- » Developed Quality Management System (QMS) in compliance with ISO 9001:2004

2004

- » Issued 180 million ordinary shares, raising LKR 4.5 Bn
- » Became the first construction company in Sri Lanka to join the United Nations Global Compact (UNGC)
- » Ventured into the production of construction-related materials

2011

- » Became a publicly listed company on the Colombo Stock Exchange (CSE)
- » Acquired a majority stake in Sathosa Motors PLC, authorized distributor for Isuzu vehicles

2012

- » Opened East Africa Branch in Djibouti
- » Extended operations of joint venture ZPMC Lanka into overseas ports
- » Invested in real estate through Horizon Holdings and Horizon Knowledge City Limited

2015

- » Invested in 50% issued share capital of Blue Star Realities (Private) Limited for the construction of 242 luxury condominium apartment units in Rajagiriya
- » Access Motors (Private) Limited was appointed the sole distributor for Jaguar vehicles in Sri Lanka

2016

- » Acquired 100% of WUS Logistics (Private) Limited for the construction of Sri Lanka's largest single roof warehouse
- » For the third consecutive year, AEL was selected to the category of "Ten Best Corporate Citizens in the Country" by The Ceylon Chamber of Commerce

2019

- » Commencement of Kenya T-Mall flyover by AEL East Africa Limited, a 100% owned subsidiary of AEL
- » Invested in 50% of Lanka AAC (Private) Limited, engaged in the manufacturing of autoclave aerated concrete blocks
- » Initiated the first BOT project together with the UDA for the construction of a public car park in Union Place

2020

- » Commencement of commercial operations of Export Greenfield (EGF) logistics and warehousing facility in Ekala
- » Signing of Consortium Agreement with CM Ports China & the Sri Lanka Ports Authority (SLPA) for the formation of South Asia Commercial & Logistics Hub Limited

2023

- » Winner of 'Collaborate to Innovate Award 2023' by The Engineer United Kingdom
- » Commencement of operations of AEL Port Services, expanding Access Engineering's footprint into the maritime and logistics sector
- » Initiated groundwork for Access Medical Tracers, paving the way for entry into the radiopharmaceutical industry

2024

- » Access Realties (Private) Limited, owner and managing agent of Access Tower, became a subsidiary of AEL
- » Developed Environmental Management System (EMS) in compliance with ISO 14001:2004

2008

- » Accredited by the Institution of Engineers Sri Lanka (IESL) as an institution for training engineers for professional charter

2010

- » Invested in Access Motors (Private) Limited, authorized distributor for Land Rover and Range Rover vehicles
- » Entered into a joint venture with Shanghai Zhenhua Heavy Industries Company Limited (ZPMC) for container handling equipment maintenance

2013

- » Integrated business operations through an Enterprise Resource Planning Platform.
- » Commenced construction on Access Tower II
- » Acquired Access Projects (Private) Limited, specializing in interior and aluminium works

2014

- » Invested in Harbour Village (Private) Limited for the construction of 1088 condominium apartment units in downtown Colombo
- » The newly built Access Tower II commenced commercial operations adding approximately 200,000 Sq. Ft. of A-Grade office space

2017

- » Commencement of Mannar wind power project, the largest wind power project in Sri Lanka with a capacity of 110MW
- » Commencement of Central Expressway package 2; First expressway to be undertaken by local construction companies
- » For the second consecutive year, AEL was selected to the category of "Ten Best Corporate Citizens in the Country" by The Ceylon Chamber of Commerce

2018

- » Commencement of construction of 700,000 Sq. Ft. Export Greenfield (EGF) logistics and warehousing facility in Ekala by Access Logistics Park Ekala (Private) Limited

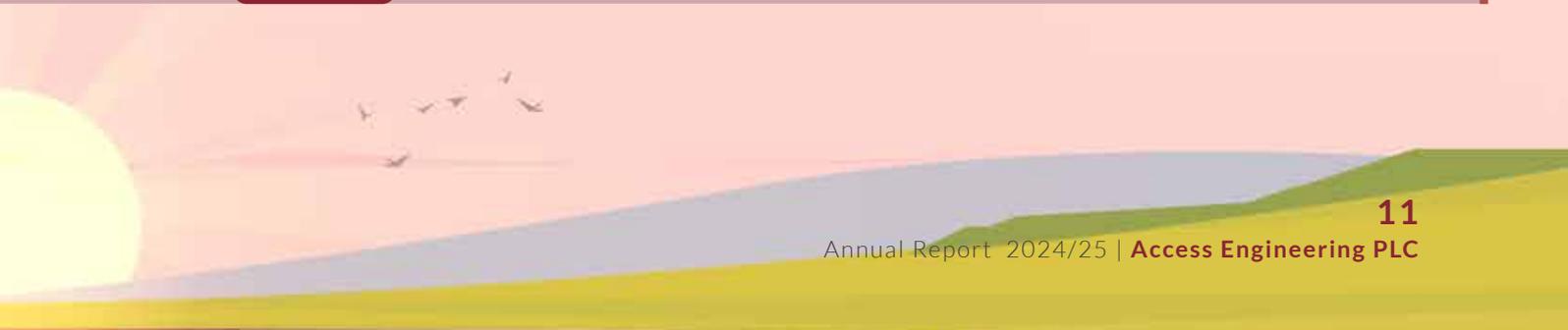
2021

- » Commencement of East Container Terminal by Access - CHEC JV at the Port of Colombo, the second deep-water terminal developed since the Colombo International Container Terminal (CICT)
- » Ranked 8th among all the listed entities by Transparency International Sri Lanka (TISL) for transparency in corporate reporting for the year 2021

2022

- » Expansion into renewable energy through Power Purchase Agreements (PPAs) for a combined capacity of 15.8 MW across two subsidiaries - Access Logistics (Pvt) Ltd. and Access Logistics Park Ekala (Pvt) Ltd.
- » Formed a national partnership with the National Academy of Sciences Sri Lanka (NASSL) through IdeaNest to strengthen public trust in science

2025



# OUR JOURNEY

## ▶ WHERE WE STAND

### 2024 April

Commencing of the Main Terminal Building (MTB) identified scope of work in Pier 2 and Pier 3 of the Bandaranaike International Airport Development Project



### 2024 August

Completion of design and construction of kohuwala flyover



### 2024 November

Signed a landmark agreement with the Ministry of Health for a Cyclotron-based project and commenced groundwork for the establishment of Access Medical Tracers, marking Access Engineering PLC's strategic entry into the radiopharmaceutical sector.

- » Commenced operations of AEL Port Services, a newly established subsidiary of Access Engineering PLC
- » Access Logistics (Pvt) Ltd entered into a 20-year Power Purchase Agreement (PPA) with the Ceylon Electricity Board for a 6.6 MW Solar Photovoltaic (PV) installation



## ▶ WHERE WE'RE HEADED

- » Lead the transformation of Sri Lanka's infrastructure with innovation and engineering excellence.
- » Scale up emerging ventures including renewable energy, radiopharmaceuticals and keep evolving.
- » Unlock new growth by bridging engineering with technology, sustainability, and urban development.
- » Expand innovation-driven practices, strengthening our culture of internal R&D and applied engineering solutions
- » Maintain strong focus on completing key national infrastructure projects on schedule and to the highest quality standards
- » Deepen local impact through job creation, skills development, and domestic value chains.

## 2024 December

Signed a NDA with Dr. Nadeesha Chandrasena to collaborate on introducing the Smart Drain system to Sri Lanka, laying the foundation for pioneering urban water management solutions through innovation-led partnerships



## 2025 January

IdeaNest entered into a national partnership with the National Academy of Sciences Sri Lanka (NASSL), enhancing public trust in science and promoting research with real-world impact



## 2025 February

Access Logistics Park Ekala (Pvt) Ltd signed a 20-year Power Purchase Agreement (PPA) with the Ceylon Electricity Board for a 9.25 MW Solar Photovoltaic (PV) installation



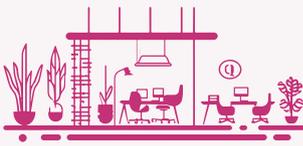
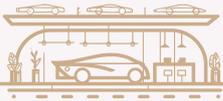
## 2025 March

Substantial completion of the Shinnyo-en Lanka Preschool and Cultural Centre project at Kirimandala Mawatha, Colombo 05



- » Further strengthen ESG integration with a focus on sustainable construction, resilience, and ethical governance.
- » Accelerate digital adoption across project management, procurement, and operational workflows.
- » Invest in talent and future-ready skills to build a high-performance, innovation-driven workforce.
- » Foster strategic partnerships to expand regional presence and diversify revenue streams.
- » Maintain financial resilience while unlocking new value through disciplined capital allocation and operational excellence.
- » Position Access Engineering as a future-ready, purpose-led brand committed to building progress that lasts.

# GROUP STRUCTURE

Business Segment		Operating Entities
<b>CIVIL ENGINEERING</b> 		Access Engineering PLC
		Access Projects (Private) Limited
		Access – CHEC JV (Private) Limited
<b>CONSTRUCTION MATERIAL PRODUCTION</b> 		Access Engineering PLC
		Lanka AAC (Private) Limited
<b>MECHANICAL ENGINEERING</b> 		Access Engineering Port Services
		ZPMC Lanka Company (Private) Limited
<b>PROPERTIES - COMMERCIAL OFFICES</b> 		Access Realities (Private) Limited
		Access Realities 2 (Private) Limited
		ARL Elevate (Private) Limited
<b>PROPERTIES - COMMERCIAL WAREHOUSES</b> 		Access Logistics Park Ekala (Private) Limited
		Access Logistics (Private) Limited
		W U S Logistics (Private) Limited
		South Asia Commercial and Logistics Hub Limited
<b>CONDOMINIUM PROPERTIES</b> 		Harbor Village (Private) Limited
		Blue Star Realities (Private) Limited
<b>RENEWABLE ENERGY</b> 		Access Logistics (Private) Limited
		Access Logistics Park Ekala (Private) Limited
<b>AUTOMOBILE</b> 		Sathosa Motors PLC
		Access Motors (Private) Limited
<b>RADIOPHARMACEUTICAL</b> 		Access Medical Tracers (Private) Limited

	Effective Ownership	Principle Activity	Markets Served	Country Of Incorporation
	Parent	Construction and supply of construction related services and materials	Sri Lanka	Sri Lanka
	80%	Construction and supply of construction related services and materials	Sri Lanka	Sri Lanka
	51%	Construction	Sri Lanka	Sri Lanka
	Parent	Construction and supply of construction related services and materials	Sri Lanka	Sri Lanka
	50%	Supply of construction related materials	Sri Lanka	Sri Lanka
	100%	Commission, repair, and maintenance of container handling equipment	Sri Lanka	Sri Lanka
	30%	Commission, repair, and maintenance of container handling equipment (in partnership with ZPMC of China)	Sri Lanka and Overseas	Sri Lanka
	100%	Commercial property development for lease and rental	Sri Lanka	Sri Lanka
	100%	Commercial property development for lease and rental	Sri Lanka	Sri Lanka
	100%	Provision of support facilities for Access Towers	Sri Lanka	Sri Lanka
	100%	Commercial property development for lease and rental	Sri Lanka	Sri Lanka
	100%	Commercial property development for lease and rental	Sri Lanka	Sri Lanka
	100%	Commercial property development for lease and rental	Sri Lanka	Sri Lanka
	15%	Commercial property development for lease and rental	Sri Lanka	Sri Lanka
	66.67%	Residential and commercial property development (In partnership with China Harbour Engineering Company Limited)	Sri Lanka	Sri Lanka
	60%	Residential and commercial property development	Sri Lanka	Sri Lanka
	100%	Rooftop solar panels generating 6.6 MW of clean energy under agreement with the Ceylon Electricity Board	Sri Lanka	Sri Lanka
	100%	Rooftop solar panels generating 9.2 MW of clean energy under agreement with the Ceylon Electricity Board	Sri Lanka	Sri Lanka
	84.42%	Authorized distributor for ISUZU in Sri Lanka and Maldives	Sri Lanka and Maldives	Sri Lanka
	42.21%	Authorized distributor for Jaguar and Land Rover in Sri Lanka	Sri Lanka	Sri Lanka
	60%	Production of Fluoro-Deoxy-Glucose (FDG), a critical compound used in cancer detection	Sri Lanka	Sri Lanka

# FINANCIAL HIGHLIGHTS

	Unit	2025/24		2024/23		Change (%)	
		Group	Company	Group	Company	Group	Company
<b>FINANCIAL PERFORMANCE</b>							
Revenue	LKR Mn	34,511	29,321	21,501	18,323	61	60
Gross Profit	LKR Mn	11,896	7,915	7,356	4,258	62	86
Gross Profit Margin	%	34	27	34	23	1	16
Earnings Before Interest, Taxes, Depreciation & Amortisation (EBITDA)	LKR Mn	10,798	9,109	7,939	4,858	36	87
Earnings Before Interest and Taxes (EBIT)	LKR Mn	9,610	8,379	6,834	4,047	41	107
Earnings Before Tax (EBT)	LKR Mn	7,784	6,125	4,305	2,195	81	179
Income Tax	LKR Mn	(1,492)	(1,578)	2,549	(650)	(159)	143
Profit After Tax (PAT)	LKR Mn	6,291	4,547	6,854	1,545	(8)	195
Profit After Tax (PAT) Margin	%	18	16	32	8	(43)	84
Profit Attributable to Equity Holders	LKR Mn	6,310	4,547	6,861	1,545	(8)	195
Total Dividends Paid	LKR Mn	2,000	2,000	500	500	300	300
Earnings Per Share (EPS)	LKR	6.31	4.55	6.86	1.54	(8)	195
Return on Assets (ROA)	%	5.72	7.88	6.96	2.85	(18)	177
Return on Capital Employed (ROCE)	%	13.47	19.03	11.15	10.06	21	89
Return on Equity (ROE)	%	14.73	16.24	17.92	6.07	(18)	168
Dividend Per Share (DPS)	LKR	2.00	2.00	0.50	0.50	300	300
Dividend Payout Ratio	%	31.70	43.98	7.29	32.36	335	36
Dividend Cover	No. of times	3.16	2.27	13.72	3.09	(77)	(26)
Dividend Yield	%	-	5.19	-	2.21	-	135
Interest Cover	No. of times	5.02	6.57	2.67	2.17	88	203

<b>FINANCIAL POSITION</b>							
Total Assets	LKR Mn	109,979	57,688	98,532	54,295	12	6
Stated Capital	LKR Mn	9,000	9,000	9,000	9,000	-	-
Retained Earnings	LKR Mn	30,311	18,665	26,018	16,132	17	16
Total Equity / Shareholders' Funds	LKR Mn	40,127	27,995	35,834	25,461	12	10
Total Liabilities	LKR Mn	67,266	29,693	60,289	28,834	12	3
Current Assets	LKR Mn	50,262	24,253	44,223	20,285	14	20
Current Liabilities	LKR Mn	43,396	16,049	39,327	16,447	10	-2
Net Assets Per Share	LKR	40.13	27.99	35.83	25.46	12	10
Assets Turnover Ratio	No. of times	0.31	0.51	0.22	0.34	43	49
Debt to Equity Ratio	%	62.84	56.00	55.59	54.95	13	2
Debt to Total Assets Ratio	%	24.40	27.18	21.57	25.77	13	5
Equity to Assets Ratio	%	38.84	48.53	38.81	46.89	0	3
Current Ratio	No. of times	1.16	1.51	1.12	1.23	3	23
Quick Ratio (Acid-Test Ratio)	No. of times	0.58	1.34	0.61	1.06	(5)	26

<b>SHAREHOLDER INFORMATION</b>							
Price Per Share (as at year-end)	LKR	-	38.50	-	22.60	-	70
Highest Market Price Per Share	LKR	-	43.20	-	23.10	-	87
Lowest Market Price Per Share	LKR	-	19.40	-	13.50	-	44
Market Value as at Year-End	LKR	-	38.50	-	22.60	-	70
No. of Shares in Issue	No.	-	1,000	-	1,000	-	-
Market Capitalisation	LKR Mn	-	38,500	-	22,600	-	70
Price to Earnings (P/E) Ratio	No. of times	-	8.47	-	14.68	-	(42)
Price to Book Value (P/B) Ratio	No. of times	-	1.38	-	0.89	-	55
Total Shareholder Return (TSR)	%	-	79.20	-	62.68	-	26

# NON-FINANCIAL HIGHLIGHTS



## Human Capital

**LKR 2,450 Mn**

Remuneration and benefits to employees  
(2023/24 - LKR 1,951 Mn)

**87%**

Employee retention rate  
(Staff Only) (2023/24 - 76%)

**760**

New hires (2023/24 - 572)

**LKR 3 Mn**

Investment in training  
(2023/24 - LKR 1.24 Mn)



## Intellectual Capital

**15**

Standards and Certifications (Highest  
Grade Achieved) (2023/24 - 9)

**LKR 1.7 Mn**

Expenditure on ISO certification  
(2023/24 - LKR 0.8 Mn)



## Manufactured Capital

**30**

No of Production Plant Locations  
(2023/24 - 24)

**LKR 297 Mn**

Investment in Property,  
Plant & Equipment (2023/24 - LKR 168 Mn)

**LKR 3,496 Mn**

Net Book Value of Property,  
Plant & Equipment (2023/24 - LKR 3,988 Mn)

**LKR 35 Mn**

Expenditure on IT Software  
(2023/24 - LKR 44 Mn)



## Social and Relationship Capital

**96%**

% of Local Suppliers  
(2023/24 - 96%)

**100%**

Complaints resolved  
(2023/24 - 100%)

**LKR 3.7 Mn**

Investment in Donation & CSR  
(2023/24 - LKR 2.9 Mn)



## Natural Capital

**96,455 m<sup>3</sup>**

Water Consumption  
(2023/24 - 137,141 m<sup>3</sup>)

**5,240 Kg**

Paper Consumption  
(2023/24 - 10,633 Kg)

**6,665 Gj**

Electricity consumption  
(2023/24 - 3,626 Gj)

**239 Gj**

Energy Intensity per employee  
(2023/24 - 180 Gj)

## CHAIRMAN'S MESSAGE



**OUR ABILITY TO  
STAND OUR GROUND,  
ADAPT AND THRIVE  
IN AN ENVIRONMENT  
FRAUGHT WITH  
OBSTACLES IS A  
TESTAMENT TO THE  
STRENGTH OF OUR  
TEAM, THE RESILIENCE  
INGRAINED IN OUR  
CORPORATE DNA.**

**Sumal Perera**  
Chairman

As I reflect on the financial year 2024/25, it is with immense pride that I acknowledge the tenacity and perseverance demonstrated by Access Engineering PLC (AEL) in navigating the fluctuating economic landscapes of Sri Lanka the past year.

Despite the ongoing fluctuations, I am pleased to see that Sri Lanka's economy has continued its gradual recovery. The successful implementation of the IMF programme, conclusion of the external debt restructuring efforts and continuity of structural reforms were critical in steering the nation towards economic revival. While challenges undoubtedly remain, I

believe that the resilience and determination demonstrated by our country have laid the foundation for a more optimistic economic outlook.

However, it is somewhat disheartening to see that the construction industry still faces quite a few headwinds such as funding constraints, the ghosts of the past economic disruptions and the lingering effects of the country's debt crisis. Yet, amidst these challenges, our company stood firm, leveraging our strengths, adaptability, and unwavering commitment to excellence to not only endure but also lay the foundation for sustainable growth. Our ability to stand

our ground, adapt and thrive in an environment fraught with obstacles is a testament to the strength of our team, the resilience ingrained in our corporate DNA.

### Performance and Strategic focus

Amidst a volatile backdrop, I am pleased to report that AEL delivered a stable performance, powered by focused execution and a disciplined strategic approach. Several key infrastructure projects made tangible progress during the year, including the Colombo West International Terminal, the Shinniyo-en Lanka Preschool and Cultural Centre, Kohuwala Flyover and more. These projects reflect not only our engineering capabilities, but also our long-standing relationships with public and private sector stakeholders.

This year also reaffirmed the strength of our diversified and evolving business model, which spans nine distinct yet complementary segments – Civil Engineering, Construction-Related Materials, Mechanical Engineering, Commercial Offices, Commercial Warehouses, Condominium Properties, Renewable Energy, Automobiles, and Radiopharmaceuticals. While Civil Engineering remains our foundation, emerging sectors such as Renewable Energy and Radiopharmaceuticals represent exciting frontiers for sustainable growth. Together, these verticals create a balanced platform that allows the AEL Group to navigate uncertainty, capture new opportunities, and contribute meaningfully to national development.

### Financial Performance

The Group posted a turnover of LKR 34,511 Mn and a net profit of LKR 6,291 Mn, a reflection of our ability to drive value even in a constrained market. Margin preservation, cost efficiency, and strict financial discipline coupled with our diversified business model spanning construction, property, materials, automobiles, and emerging sectors enabled us to spread risk and optimise performance.

### Outlook

The pace of transformation in today's economic and operating landscape is both unrelenting and unpredictable. Yet within this flux lie immense opportunities—especially for organisations with the foresight, agility, and conviction to adapt, evolve, and lead with purpose. As Sri Lanka navigates a defining chapter in its development trajectory, we at Access Engineering PLC remain steadfast in our belief that resilience, innovation, and shared progress must guide the way forward.

The macroeconomic outlook will likely continue to be shaped by global uncertainty amidst shifting geopolitical alignments and trade dynamics. Domestically, the call for sustainable infrastructure, equitable growth, and transparent governance has never been more pronounced. Against this backdrop, AEL will embrace its responsibility not only as a builder of physical structures, but as a catalyst for national renewal and long-term value creation.

Through our future-oriented outlook, we have deliberately diversified our portfolio of businesses to match these evolving needs of our country.

We also recognise that our growth must be meaningful, measured not only in financial performance but also in our ability to generate positive impact for communities, industries, and the environment. In the year ahead, we will continue to embed ESG principles into our operations, scale innovation across verticals, and grow more sustainably and strategically as we strengthen our role in the country's economic recovery.

We are optimistic about the future. With discipline, clarity of vision, and a renewed sense of purpose, Access Engineering PLC will continue to engineer progress not just for today, but for generations to come.

### ACKNOWLEDGEMENTS

At the heart of our success lies the strength of our people. It is the leadership, expertise, and tireless dedication of our employees that continue to drive Access Engineering PLC forward. Across all levels of the organisation, our human resources remain our most valuable asset enabling us to deliver excellence, embrace innovation, and navigate complexity with confidence. We are proud to cultivate a workplace that nurtures talent, rewards performance, and builds future leaders who will carry our legacy of impact and integrity forward.

I would also like to extend my sincere appreciation to our Executive Vice Chairman, Managing Director, Executive Directors and Non-Executive Directors for their strategic foresight, leadership and team spirit that have been vital in guiding the Group through a year marked by both trials and triumphs.

Together we have shown that even in the face of adversity, unity and a shared passion can lead to remarkable achievements.

As we look ahead, I am inspired by the potential that lies before us. With the talent, determination and the collective spirit that define AEL Group, I am confident that we will continue to break new ground and achieve even greater milestones in the years to come.

Thank you for your unwavering support and commitment. Together, we are building a legacy of excellence and innovation that will endure for generations.



**Sumal Perera**  
Chairman

22 July 2025

## JOINT STATEMENT FROM THE EXECUTIVE VICE CHAIRMAN AND THE MANAGING DIRECTOR



**Rohana Fernando**  
Managing Director



**Christopher Joshua**  
Executive Vice Chairman

It is with great responsibility and clarity of purpose that we present this joint statement for the financial year 2024/25. The period under review was one of both persistent macroeconomic headwinds and purposeful corporate execution. Within a turbulent and evolving domestic environment, Access Engineering PLC (AEL) has continued to distinguish itself through strategic resilience, disciplined growth, and a forward-looking approach to value creation.

### **Economic Landscape and Industry Climate**

Sri Lanka's economy entered a stable phase during the year, showing progress after years of crisis. Data published by the

Central Bank of Sri Lanka puts GDP growth at 5% in 2024 marking the most robust performance since the economic crisis driven by improved activity across all key sectors of the economy.

Exorbitant Inflation, which had been a major concern in past years, began to stabilize, even entering a period of deflation by late 2024. Interest rates also declined sharply to single-digit levels, helping reduce the cost of borrowing for businesses and consumers. Meanwhile, foreign exchange reserves strengthened, supported by growth in tourism, exports, and worker remittances during

this external debt moratorium period. The Sri Lankan Rupee appreciated by around 10% during 2024, before facing a mild correction towards the end of the financial year. With these improvements, the government began easing the last of the import restrictions, creating more flexibility for businesses to operate and grow.

In yet another positive towards re-building investor confidence, the Government continued with the IMF-led structural reform programme enabling the release of the third tranche of approximately US \$334 million under the Extended Fund Facility. Likewise good headway in restructuring foreign debt leading to Sri Lanka's official exit from default status, which in turn prompted major international rating agencies to upgrade Sri Lanka's sovereign rating, collectively, contributed towards improving the Country's investment climate.

Our ability to maintain operational momentum combined with disciplined execution allowed the Group and Company to deliver sustained revenue growth. The Group and the Company recorded revenue of LKR 34,511 Mn and LKR 29,321 Mn respectively for FY 2024/25, reflecting the underlying structural resilience built over time. Robust top-line performance translated into strong bottom-line results, with the Group posting a Net Profit of LKR 6,291 Mn and the Company achieving an all-time high Net Profit of LKR 4,547 Mn. This robust performance is not the outcome of short-term gains, but the result of years of strategic investment to build scale in core business segments coupled with strategic diversification into complementary verticals to strengthen operational agility and drive sustained value creation over time.

### Funding strategy

We remained cautious and strategic in our capital deployment. All major projects undertaken this year, including our ongoing developments in warehousing, real estate, and condominium properties were primarily funded through internally generated

cash flows. Our debt profile remains prudent, and investments were aligned with long-term return thresholds. We continue to prioritize financial sustainability and liquidity over short-term expansion.

### People and Culture at the Core

In the financial year 2024/25, our focus on people was shaped by a forward-looking mindset aimed at moving beyond recovery toward long-term capability -building. Recognizing the value of hands-on experience, we placed strong emphasis on on-the-job training and cross-functional learning, enabling our employees to broaden their technical competencies while deepening their areas of specialization. We take pride in having sustained these efforts even as the broader industry adopted a cautious stance, underscoring our unwavering belief that investing in talent is non-negotiable.

Further, with the disruptions of the previous years now subsiding, we concentrated on deepening employee engagement, strengthening on-the-job learning, and redeploying our lean, skilled workforce across our business segments. As part of this approach, we gradually reintroduced staff welfare programmes, ranging from skills workshops to wellness support and cross-departmental project exposure. Throughout the year, we ensured that no member of our workforce remained underutilized and every employee was meaningfully engaged across projects, enabling us to optimize resources while preserving domain knowledge and institutional memory.

Equally important was our effort to rebuild the social fabric of our organization. This year saw the return of our much-valued annual staff trips, which had been paused during the crisis years. These events, held across several departments and sites, provided not only a platform for rejuvenation but also for deeper camaraderie and informal knowledge sharing. They were met with overwhelming enthusiasm and played a vital role in rebuilding team cohesion and morale.

We are pleased to note a measurable uplift in morale, project coordination, and productivity. More than any single metric, however, we value the renewed sense of ownership and trust that our teams have demonstrated. It is this shared commitment across job sites, disciplines, and geographies that continues to define the Access Engineering culture.

### Engineering foresight

The financial year 2024/25 marked yet another significant chapter in AEL's enduring commitment to pioneering innovation within Sri Lanka's construction sector. Building on the momentum from our 'Idea Nest' Initiative, which last year garnered wide acclaim for introducing cutting-edge technology, we continued to spearhead transformative projects that elevate both industry standards and national infrastructure development.

We continued with our collaborations in Important research initiatives and a highlight this year was the success and recognition of Dr. Nadeesha Chandrasena's groundbreaking Smart Drain project an innovative solution designed to tackle urban drainage challenges through real-time monitoring and predictive analytics. This project not only received a prestigious International innovation award but also demonstrated the power of research-led collaboration between academia and industry, reinforcing Access Engineering's role as an enabler of smart, sustainable infrastructure.

As part of our broader commitment to purpose-driven innovation and nation-building, AEL, through IdeaNest, also joined hands with the National Academy of Sciences of Sri Lanka (NASSL) and the Sri Lanka Association for the Advancement of Science (SLAAS) in a landmark three-year national programme titled "How Science/Scientists Can Generate Wealth for the Nation." This initiative aims to rebuild public trust in science by making it more accessible and relatable to all stakeholders, from schoolchildren and undergraduates to policymakers and the general public.

# JOINT STATEMENT FROM THE EXECUTIVE VICE CHAIRMAN AND THE MANAGING DIRECTOR

We also enhanced construction efficiency and safety through the adoption of pre-embedded inserts and anchor bolts in formwork prior to roof slab concrete pours, eliminating the risks associated with post-pour drilling. Complementing this, our use of laser-aligned plastering techniques, reinforced with mesh, has improved both the precision and longevity of structural finishes, setting new benchmarks in quality and aesthetics.

In our architectural projects, the incorporation of Fiber Reinforced Polymer (FRP) materials for exterior facades continues to offer an ideal combination of vibrant design flexibility, weather resistance, and ease of maintenance—features that resonate strongly with contemporary architectural demands.

A noteworthy innovation introduced this year is the adoption of Zinc Thermal Spray (Zn TS) technology—a forward-looking alternative to traditional hot-dip galvanizing (HDG). Zn TS involves atomizing molten zinc and spraying it onto metal surfaces, forming a uniform, robust protective layer that offers sacrificial corrosion resistance with superior application control and environmental benefits. Given Sri Lanka's expanding infrastructure projects in coastal and industrial zones, Zn TS represents a strategic advancement, offering in-situ application capabilities and compatibility with complex geometries, making it a compelling choice for our ongoing and future projects.

Digital transformation continues to be a key pillar of our innovation strategy. We have integrated advanced Building Information Modeling (BIM) platforms such as Navisworks and Revit into several new and ongoing projects, facilitating enhanced 3D model coordination. This integration has proven instrumental in early conflict detection, optimal material utilization, and significant reductions in project delays and rework, collectively driving greater operational efficiency.

Other innovations adopted this year include the use of self-climbing external formwork systems to accelerate high-rise construction, the introduction of Autoclaved Aerated Concrete (AAC) blocks as a sustainable alternative to traditional bricks, and the deployment of a pug mill machine and wet mix macadam plant for the production of sub-base and CBM3 materials for the West Container Terminal Project.

Through these sustained efforts in innovation, Access Engineering continues to reinforce its position as an industry leader, committed not only to delivering world-class infrastructure but also to shaping a future-ready construction ecosystem in Sri Lanka.

## Progress on Existing Projects

During the financial year 2024/25, we made steady progress across several key projects, reflecting our continued role in advancing Sri Lanka's national infrastructure and urban development goals.

Work at the Colombo West International Terminal (CWIT) of the Port of Colombo continued to move forward as planned with AEL responsible for the construction of the Backup Yard, Utilities and Allied Services (Package 01), and Buildings (Package 02). Once completed in July 2025, CWIT will become the largest and deepest container terminal in Sri Lanka, with a quay length of 1,400 metres and a depth of 20 metres, capable of handling Ultra Large Container Vessels with capacities of up to 24,000 TEUs.

The Kohuwela Flyover, funded by the Government of Hungary, neared completion in August 2024 with the superstructure and flyover deck concrete successfully completed. This 297-metre-long two-lane flyover, built parallel to the Colombo–Horana (B84) Road, provides a minimum vertical clearance of 5.2 metres to ensure smooth traffic flow beneath the structure.

Construction continued on the Slave Island Flyover, which connects Baladaksha Mawatha to Chittampalam A. Gardiner Mawatha, crossing over the railway track and Beira Lake. The project is back on track and represents a significant improvement to traffic mobility in the Colombo city centre.

Our ongoing collaboration with Dialog Broadband Networks also progressed well, with approximately 132 mobile sites connected to their fibre optic network during the year. The project aims to reach 150 sites by the end of 2025, continuing to support the country's growing demand for digital connectivity.

The Marina Square Mixed Development Project made notable strides during the year with all structural work completed by December 2023. Mechanical, electrical, plumbing, and finishing work is now underway, with the full development expected to be completed by December 2025.

The Elliot Place Housing Project, which had been suspended in July 2022 due to the economic downturn, recommenced during the year under revised terms. As at 31st March 2025, approximately 34.7% of the project had been completed. This project aims to deliver 400 housing units for upper-middle-income earners and is now steadily moving forward.

A significant achievement during the year was the successful completion of the Preschool and Cultural Centre for Shinnyo-En Lanka at Kirimandala Mawatha, Colombo 05. Completed in March 2025, this privately funded development spans 3,900 square metres and includes two main buildings and several subsidiary structures. Facilities include an auditorium, worship hall, office spaces, meeting rooms, elevators, and high-quality finishes throughout.

We also made substantial progress on the Stadiumgama Housing Project, which involves the construction of 1,000 housing units for low-income families. By the end of the financial year, a significant portion of the work was completed, and the project was partially handed over to the Urban Development Authority (UDA). Our current focus is on completing the balance defect rectifications within the defects liability period.

The Central Expressway Project – Section 3 (Package 1M) from Pothuhera to Galagedara progressed steadily, nearing the substantial completion of rock blasting works, with 93% completed as at 31st March 2025. A major highlight of the year was the near completion of Viaduct VD 10-1, with 34 of the 40 pre-cast girders successfully erected.

Lastly, the Nittambuwa–Pasyala Road Expansion Project, which involves widening the existing road to a four-lane standard carriageway, experienced early delays due to payment issues from the Road Development Authority (RDA). However, following resolution of these delays, resources were scaled up and construction progress improved during the final quarter of the financial year.

## PERFORMANCE ACROSS OUR BUSINESS SEGMENTS

### Civil Engineering

Our civil engineering segment continues to anchor the Group's strategic relevance. Key projects executed to grow during the year included the East and West Container Terminals, the Central Expressway Section 3, the Nittambuwa–Pasyala Road, and major flyovers in Slave Island, Gatambe, and Kohuwala. AEL's long-standing reputation for delivering high-value infrastructure on time and to international quality standards, positions us as a preferred contractor for public and private sector clients alike.

### Construction Materials Production

In our Construction Materials Production segment, we continued to strengthen market leadership, maintaining a 70% share in asphalt supply and servicing over 300 contractors across the country. Efficiency improvements driven by our proprietary enabled us to reduce fuel usage to 5.5 litres per tonne reflecting a significant decrease over the past decade. Our strategically located network of asphalt plants, crusher plants, quarries, concrete batching and sand washing facilities ensured seamless support for internal and external projects, while ongoing investments in recycled water systems and low-emission operations reinforced our sustainability focus. We also laid the groundwork for future growth with plans to expand M-Sand and precast capabilities in anticipation of rising infrastructure demand.

### Mechanical Engineering

The mechanical engineering business continues to deliver mission-critical services to the maritime and aviation sectors. We provide container handling equipment services for Colombo West Container Terminal (CWCT), among others, and have expanded internationally via our joint venture with ZPMC, the global leader in port machinery.

### Properties – Commercial Offices

The Group's Grade-A commercial office space remains fully occupied, with key tenants. Access Towers I and II continue to attract high-end occupiers due to their energy efficiency, functional design, and strategic location. Tower II in particular offers a usable floor area of 95%, well above industry norms, which enhances its operational and financial efficiency.

### Properties – Commercial Warehouses

Access has become a market leader in industrial warehousing solutions, with flagship facilities in Kimbulapitiya and Ekala Ja-Ela. These developments, including the state-of-the-art facility for Michelin, represent nearly 25%

of the country's total warehousing capacity. Our integrated delivery model combining infrastructure development with value-added services such as flood mitigation reflects our ability to respond to evolving client needs with tailored, scalable solutions.

### Condominium Properties

Our residential real estate model continued to deliver strong performance despite challenging market conditions. The Capital Heights complex, now fully sold, with unit values appreciating by more than 75% post-handover. The Marina Square development, which includes 1,068 units, has already recorded over 600 unit sales, underscoring strong buyer confidence. Even amid economic instability, we prioritised quality, offering buyers premium brand finishes without cost escalation, a decision that has strengthened our brand and customer retention.

### Renewable Energy

The Group's investment in renewable energy is embedded in our infrastructure design philosophy. The rooftop solar installations across our warehouse facilities now generate 15.8 megawatts of power, contributing directly to our ESG objectives while offering long-term cost and energy efficiency benefits. Rather than treating solar integration as an afterthought, we embed it in the early stages of structural design, enhancing reliability and return on investment.

### Automobile

Through Sathosa Motors (Isuzu) and our 50% stake in Access Motors (Jaguar and Land Rover), we successfully navigated the import restrictions in place during the year. The focus was shifted to after-sales service, inventory optimisation, and customer engagement, which allowed us to sustain profitability. With import channels reopening, both entities are positioned to capitalise on renewed demand, supported by improved systems and strengthened customer networks.

# JOINT STATEMENT FROM THE EXECUTIVE VICE CHAIRMAN AND THE MANAGING DIRECTOR

## Radiopharmaceutical

This segment represents AEL's entry into the healthcare infrastructure domain. Having received the necessary clearance, we commenced setting up Sri Lanka's first local manufacturing facility for Fluorodeoxyglucose (FDG) isotopes, critical for PET-based cancer diagnostics. Imported isotopes lose efficacy during transit; by manufacturing domestically, we aim to improve diagnostic accuracy, affordability, and reach. This initiative, executed in collaboration with the Ministry of Health and the Ministry of Power and Energy reflects our ability to bring engineering rigour into high-impact national health projects.

## Financial Results

Despite continued macroeconomic headwinds and industry-wide challenges, the Access Engineering Group delivered a resilient financial performance in FY 2024/25, reflecting disciplined execution, operational efficiency, and improved segmental contributions.

Turnover for the year at Group level stood at LKR 34,511 Mn, while the Company recorded LKR 29,321 Mn, representing a 60.51% and 60.02% year-on-year growth respectively. This performance was primarily underpinned by stronger momentum across core business verticals and steady progress on key infrastructure projects.

The Civil Engineering segment continued its recovery, reporting 76.15% growth in turnover over the previous year, supported by notable contributions from the Central Expressway Project (Section 3, Package 1M), the Stadiumgama Housing Project, the Bandaranaiyake International Airport Development Project, and the ongoing construction of the Colombo West International Terminal (CWIT). The completion of the Shinnyo-EnLanka Preschool and Cultural Centre also contributed to segmental revenues during the year.

The Construction-related Materials segment remained a key contributor to overall revenue, accounting for 22.68% of Group turnover. While the segment faced some demand-side pressures, efficiency improvements and a continued focus on supply chain optimisation helped cushion performance.

The Mechanical Engineering segment, accounting for approximately 0.12% of Group turnover, remained a specialised yet strategically important contributor to the Group's performance. Revenue was primarily driven by the commissioning, repair, and maintenance of port machinery, particularly through Access's growing involvement in the Colombo Port and affiliated terminal operations. The segment played a critical role in supporting the operational readiness of key logistics infrastructure, aligning with the Group's broader vision to support national and regional connectivity through port and maritime services.

The Property Development segment was divided into two core verticals:

Commercial Office Spaces and Warehouses, which accounted for approximately 9.84% of Group turnover, benefited from steady leasing activity and sustained demand for industrial warehousing.

The Condominium Properties segment gained strong momentum during the year, with significant pre-sales and phased construction progress. While its financial contribution is yet to be reflected, these developments have strengthened the Group's future revenue pipeline and presence in the urban residential market.

Meanwhile, the Automobiles segment recorded a year-on-year growth of 8.54%, supported by improved market conditions and after-sales performance.

Gross profit reached LKR 11,896 Mn at the Group level and LKR 7,915 Mn at

the Company level, marking a year-on-year increase of 61.73% and 85.91%, respectively a testament to the focus on cost control, better project execution, and prudent resource utilisation.

Robust operating results were further complemented by cost-saving measures across administration and support functions, which saw the Group recording EBITDA of LKR 10,798 Mn, while the Company reported EBITDA of LKR 9,109 Mn for the current financial year, which translated into strong operating margins of 31.28% and 27.07%, respectively.

Meanwhile, lower interest rates during the year led to a reduction in interest expenses as a percentage of revenue, while the interest coverage ratio improved at both Group and Company levels.

A culmination of these factors enabled the Group to post a Net Profit of LKR 6,291 Mn, while the Company recorded LKR 4,547 Mn for FY 2024/25, translating to net profit margins of 18.23% and 15.51%, respectively.

On the back of strong financial results, current year Earnings per Share (EPS) was maintained at LKR 6.31 at Group level, compared to LKR 6.86 in FY 2023/24 and LKR 4.55 at Company level (2023/24 - LKR 1.54).

In line with our commitment to shareholder returns, the Board of Directors declared a first interim dividend of LKR 1.00 per share during the financial year 2024/25, followed by a second interim dividend of LKR 1.00 per share declared on 22nd May 2025 and paid on 20th June 2025 bringing the total dividend payout for FY 2024/25 to LKR 2,000 Mn.

## Future plans

Looking ahead, we do so with a clear vision: to build beyond recovery and into resilience-led growth, leveraging our diversified portfolio to create lasting value across sectors. With

macroeconomic conditions showing early signs of stabilization, we are preparing to capitalize on both traditional strengths and emerging opportunities that will shape the next phase of Sri Lanka's development.

Our core construction segment will remain central to our strategic focus. With a strong pipeline of infrastructure, building, and transport-related projects, we are committed to executing high-quality developments that contribute meaningfully to national progress. In particular, we are exploring large-scale infrastructure opportunities across expressways, and public utility developments, while enhancing internal capabilities to manage complex, multidisciplinary projects.

At the same time, we will focus on scaling up our construction-related materials vertical. With increasing emphasis on cost efficiency, sustainability, and material performance, we will aim to modernize production facilities, streamlining logistics, and introducing more value-added products to the market. Our goal is to serve not only AEL's internal needs but also to position this segment as a competitive supplier in the broader industry, especially as demand recovers in due course.

A critical part of our forward strategy involves entering and expanding AEL's presence in future-ready sectors. To that end, we expect to accelerate our engagement in the renewable energy sector to align with national energy goals and global sustainability trends. Opportunities in utility-scale solar, wind, and hybrid solutions are being actively explored, both through direct participation and strategic partnerships. As Sri Lanka transitions toward clean energy, we see our engineering expertise as a key enabler of that transformation.

In addition, our stake in the radiopharmaceutical sector marks a deliberate shift into advanced,

high-impact industries that support healthcare innovation. As the demand for nuclear medicine grows in the region, AEL is well-positioned to contribute to infrastructure and facility development related to radiopharmaceutical production, ensuring that we are part of a healthcare future that is both accessible and cutting-edge.

It is also critical that we remain agile in our approach to capital deployment, targeting logistics infrastructure, port development, and industrial facilities where long-term growth potential is evident. We expect foreign-funded projects to regain momentum as debt restructuring progresses, and we are actively preparing to participate in these opportunities. We will also continue to advocate for alternative funding models such as Public-Private Partnerships (PPP), Build-Operate-Transfer (BOT), and Design-Build-Finance-Operate-Transfer (DBFOT), which are expected to play a growing role in national infrastructure delivery.

Looking ahead, our strategic direction is clear: we aim to evolve by deepening our diversification across sectors while simultaneously reinforcing the core strengths that have defined Access Engineering. Our commitment is to pursue growth with discipline, harnessing new opportunities in emerging industries, and building on the solid foundation of our existing businesses. This balanced approach ensures that we remain resilient, relevant, and responsible as we chart the company's next phase of sustainable development.

Our future will be shaped by both continuity and innovation. By strengthening our construction leadership, modernizing our material supply chain, and proactively investing in strategic sectors, we aim to lead Sri Lanka's infrastructure evolution while delivering enduring value for all our stakeholders.

## Acknowledgements

As we reflect on our journey this past year, we wish to extend our sincere appreciation to our Chairman and the Board of Directors for their foresight and leadership that have been instrumental in navigating uncertainty with confidence and clarity.

Our heartfelt gratitude goes to the Corporate Management Team and every member of our staff. Their commitment, resilience, and unwavering dedication despite considerable challenges have reinforced the Group's foundation and propelled our success.

To our valued customers, business partners, shareholders, and all other stakeholders, thank you for your continued trust and confidence. We urge you to remain beside us as AEL enters its next phase of growth in the coming years.



**Rohana Fernando**  
Managing Director



**Christopher Joshua**  
Executive Vice Chairman

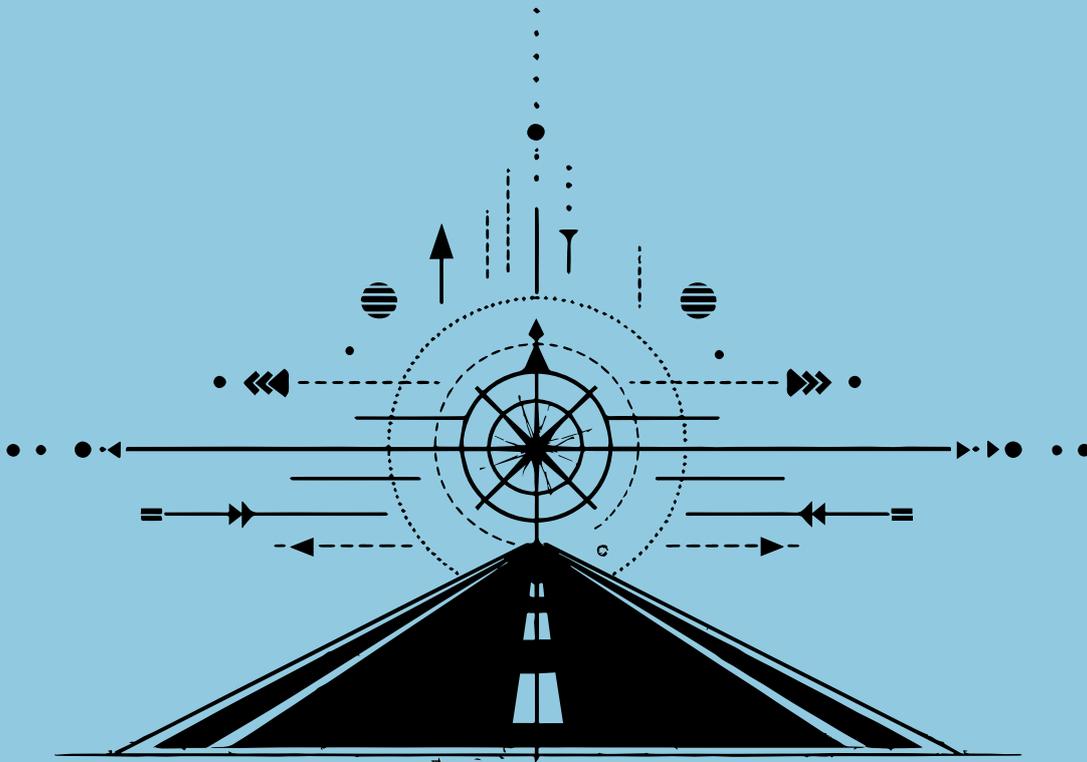
22 July 2025



Diversified. Resilient. Future-Ready.



# STRATEGY AND FOCUS



## Charting the Horizon

At Access Engineering PLC, our strategic direction is shaped by a clear vision and a commitment to sustainable value creation. We map the road ahead by aligning our strengths with emerging opportunities, ensuring resilience in a changing landscape.

28	Value Creation Model
30	Stakeholder Engagement
37	SWOT Analysis
38	PESTEL Analysis
42	Material Topics
48	Strategy and Resource Allocation
51	Sustainability Commitments
53	SLFRS S1 & S2 Adoption
54	Business Portfolio
57	Spread of Projects

# VALUE CREATION MODEL

INPUTS



Financial Capital

- » Base of **9,806** equity shareholders
- » Shareholder Funds **LKR 28 Bn**
- » Total Assets **LKR 58 Bn**
- » Stated Capital **LKR 9,000 Mn**



Manufactured Capital

- » **30** Manufacturing locations
- » IT Expenditure **LKR 35 Mn**



Intellectual Capital

- » Intangible Assets – **LKR 25 Mn**
- » The AEL Brand



Human Capital

- » **42** internal and external training programmes conducted
- » Total staff and laborers **1,574**
- » New recruitments **760**



Social and Relationship Capital

- » Investment in Community Development Projects: **LKR 3.7 Mn**
- » Community Relationships



Natural Capital

- » ISO 14001:2015 Environmental Management Standard
- » Training and Awareness

VISION

To be the foremost Sri Lankan business enterprise in value engineering.

MISSION

To meet the challenges in the development of multisector civil engineering projects, providing innovative solutions whilst developing long-term progressive relationships with all our stakeholders.

VALUE CREATION MODEL

CORE BUSINESS

Driven through	Delivered via
<ul style="list-style-type: none"> <li>» Construction: Roads, highways, bridges, ports, piling, water, wastewater</li> <li>» Construction Materials Production: Asphalt, concrete, crusher, quarry, AAC blocks</li> <li>» Mechanical Engineering: Commissioning, repair, maintenance</li> <li>» Automobiles: New vehicle sales, spare parts, workshops</li> <li>» Property – Commercial Offices: Commercial property for lease and rental</li> <li>» Property – Commercial Warehouses: Warehousing and logistics</li> <li>» Condominium properties – Residential and commercial property</li> <li>» Renewable energy – Solar panels yielding nearly 15.8 MW of power</li> <li>» Radiopharmaceuticals – FDG production</li> </ul>	<ul style="list-style-type: none"> <li>» Internal construction teams</li> <li>» Subsidiaries &amp; partnerships</li> <li>» On-site &amp; digital project management platforms</li> </ul>



EMPOWERED STAKEHOLDERS

Value Unlocks:

- » Engineering trust through timely delivery & quality
- » ESG-aligned stakeholder engagement
- » Strong client partnerships (govt, private sector)



OPERATIONAL EXCELLENCE

Value Unlocks:

- » Integrated design-build capabilities
- » Use of advanced construction tech
- » Resource & waste optimization
- » Safety-first culture



UNDERPINNED BY:  
 CORPORATE GOVERNANCE Page 176 to 206  
 RISK MANAGEMENT Page 219 to 230

## OUTPUTS FOR AEL



### Financial Capital

- » Revenue Growth (60%)
- » Net Profit Margin (16%)
- » Return on Capital Employed (ROCE) (19%)



### Manufactured Capital

- » PPE Investment - LKR 297 Mn
- » Return on Assets - 7.88%



### Intellectual Capital

- » No data breaches
- » Brand Strength



### Human Capital

- » 1.75 (Staff and Labour) Training Hours per Employee per Year
- » Employee Turnover Rate (32%)



### Social and Relationship Capital

- » New Suppliers - 1,182
- » Material Purchase from Suppliers - LKR 8.6 Bn



### Natural Capital

- » 375,818 Gj - Energy Consumption
- » 96,455 m<sup>3</sup> - Total Water Consumption
- » 51% Reduction in Paper Consumption

## OUTCOMES

### Financial Capital

- » Sustainable revenue growth and profitability
- » Efficient use of capital, enhancing shareholder returns
- » Strengthened financial resilience and investor confidence

### Manufactured Capital

- » Continued investment in property, plant, and equipment enables operational efficiency and capacity expansion
- » Enhanced infrastructure supports project delivery and growth

### Intellectual Capital

- » Strong brand equity enhances market competitiveness and stakeholder trust
- » Robust data governance safeguards reputation and business continuity

### Human Capital

- » Moderate investment in training supports skill development
- » Higher turnover signals potential areas for employee engagement focus
- » Workforce capability aligned with operational needs

### Social and Relationship Capital

- » Expanded supplier base enhances procurement resilience and local economic impact
- » Timely payments strengthen supplier relationships and supply chain stability

### Natural Capital

- » High energy and water usage reflects operational scale, highlighting the need for resource efficiency
- » Significant reduction in paper consumption demonstrates progress in sustainability and digital transformation

## CAPITAL TRADE-OFFS

### Financial capital

Financial capital is prudently allocated to maintain appropriate balance between corporate sustainability and stakeholder benefit. Disciplined capital allocation ensures our continued growth and supports our ability to add value to all other capitals.

### Manufactured Capital

Innovation is an ongoing process supported by our capabilities in research and development which typically require considerable financial resources.

### Intellectual Capital

Safety, health and skills development underpin productivity. While our top priority is the wellbeing of our employees and fostering a diverse and inclusive culture where they reach their full potential, Access Group benefits from higher productivity.

### Human Capital

Our communities grant our social license to operate. We invest significantly to support economic empowerment and contribute to improving the lives of those living in our local communities.

### Social and Relationship Capital

Innovation, technology and strategic relationships underpin the profitability/financial viability of our business operation, and attracts investment that, in turn, ensures sustainability.

### Natural Capital

Our investment in natural capital utilises financial capital. It is vital to protect resources for the sustainability of our business and for future generations.

# STAKEHOLDER ENGAGEMENT

At Access Engineering PLC, we recognize that our stakeholders are central to the way we operate and grow. Their insights, expectations, and evolving priorities shape not only our business decisions but also our broader contribution to the country's development. As a diversified infrastructure and engineering solutions provider, we engage with a wide spectrum of stakeholders—from investors, employees, and clients to regulators, business partners, and the communities we serve.

In an environment marked by rapid change and rising stakeholder expectations, building meaningful, two-way relationships has never been more important. Over the past year, we have deepened our efforts to listen, learn, and respond to the needs of our stakeholders through structured engagement mechanisms. These interactions help us align our strategies, manage risks, uncover opportunities, and deliver sustainable long-term value.

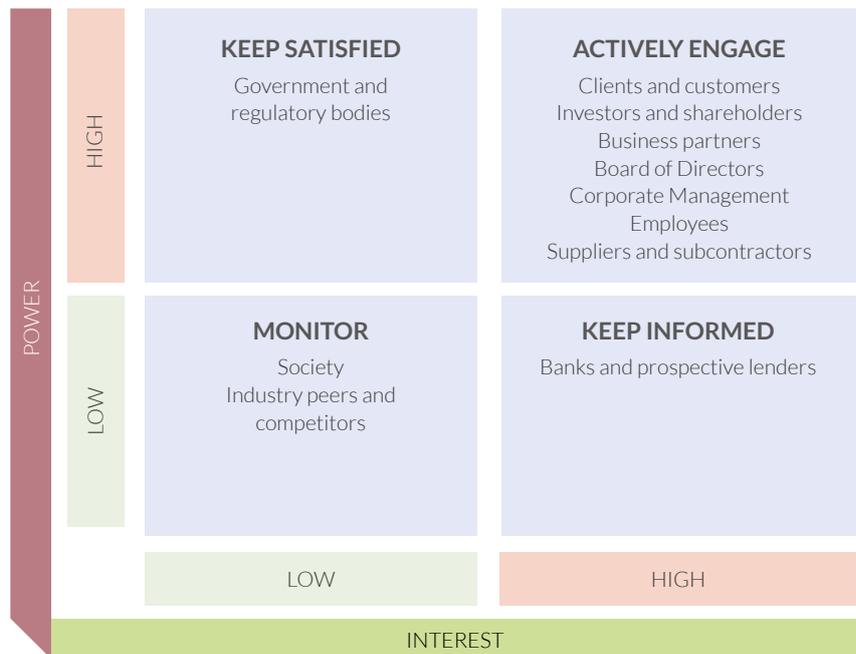
By maintaining transparent and consistent engagement, we aim not only to strengthen trust and accountability but also to ensure that our business remains resilient, relevant, and responsible. Whether it is through collaborative partnerships, compliance-driven discussions, or community outreach, our stakeholders remain at the heart of everything we do—now and into the future.

## OUR STAKEHOLDER ENGAGEMENT MODEL - BUILD

Engagement Pillar	Approach	Key Tools & Channels	Outcome Focus
Bridge Connections	Build trust and long-term relationships through collaboration	Satisfaction surveys, forums, project partnerships, co-development workshops	Mutually beneficial partnerships, aligned goals
Understand Needs	Listen actively to stakeholder expectations and evolving interests	Direct consultations, site visits, stakeholder roundtables	Clear insight into stakeholder priorities
Inform with Clarity	Provide timely and transparent information	Corporate website, press releases, marketing materials, investor presentations	Enhanced credibility and transparency
Leverage Feedback	Use stakeholder input to drive improvement and innovation	Feedback analysis, trend mapping, social media sentiment tracking	Business responsiveness and adaptive decision-making
Deliver Responsibly	Act on insights to create shared value and manage material risks & impacts	Risk management systems, governance frameworks, CSR initiatives	Sustainable growth and reinforced corporate reputation

## IDENTIFYING OUR STAKEHOLDERS

Effective stakeholder engagement begins with the critical first step of identifying all key parties who influence or are impacted by our operations across the value chain. At Access Engineering PLC, we recognize that meaningful engagement is only possible through a clear and inclusive understanding of our stakeholders. To this end, functional heads across all business units and operational levels have been tasked with proactively identifying both internal and external stakeholders relevant to their respective areas of responsibility. This structured and collaborative approach ensures that stakeholder perspectives are considered at every level of our strategic and operational decision-making, thereby fostering transparency, accountability, and long-term value creation.



Once stakeholders are identified, the next step involves stakeholder mapping, where each stakeholder group is plotted on a Power/Interest grid. This framework allows us to assess the degree of influence each stakeholder has on our business and their level of interest in our activities. The Power/Interest grid acts as a guide for developing tailored engagement strategies that address the specific expectations and concerns of each group. For instance, stakeholders with both high power and high interest are engaged more frequently and proactively. This targeted approach to engagement not only strengthens relationships but also serves as a valuable input in continuously reviewing and updating our Material Issues, ensuring our business remains aligned with stakeholder expectations and evolving external conditions.

### **BOARD OF DIRECTORS**

The Board of Directors serves as the highest governing body of the Company, offering strategic leadership and direction. They are responsible for setting corporate objectives, formulating strategies and policies, overseeing the performance of corporate management, and ensuring the protection of Company assets and shareholder interests. The Board also plays a key role in representing the Company externally and maintaining strong governance practices. Given their crucial role, the Board holds both high power and high interest in the Company's operations.

### **CORPORATE MANAGEMENT**

Corporate Management is responsible for the day-to-day operations of the business, working under the authority delegated by the Board of Directors. They implement strategies, policies, and objectives approved by the Board, ensuring smooth execution across all functions. As key decision-makers and drivers of performance, Corporate Management holds both high power and high interest in the Company's activities.

### **INVESTORS AND SHAREHOLDERS**

Investors and shareholders are vital stakeholders who provide the capital needed to fund the Company's growth and strategic projects. They expect a reasonable return on their investment and rely on the Company to meet its contractual obligations and maintain transparency. Shareholders also play a role in approving or rejecting major strategic decisions and expect regular updates on financial performance and long-term business direction. As stewards of shareholder wealth, the Company is committed to building a sustainable, growing business while upholding strong corporate citizenship. Both investors and shareholders have high power and high interest in the Company's success.

### **BANKS AND RESPECTIVE LENDERS**

Banks and lenders play an important role in supporting the Company's financial needs. They assist in financing infrastructure projects, processing daily financial transactions, and offering funding solutions to manage working capital effectively. Additionally, they provide investment opportunities by accepting deposits. While their influence on strategic decisions is limited, their interest in the Company's financial stability and performance remains high.

### **EMPLOYEES**

As a labour-intensive industry, our success depends heavily on attracting and retaining skilled and committed employees. In return for their contributions, employees expect fair compensation, a safe and inclusive work environment, equal opportunities, career development, training, recognition for performance, and support for work-life balance. Given their direct impact on operational excellence and long-term success, employees hold both high power and high interest in the Company.

# STAKEHOLDER ENGAGEMENT

## GOVERNMENT AND REGULATORY BODIES

The Government and regulatory authorities are key stakeholders, especially as many of our infrastructure projects are initiated or funded by government institutions. Maintaining strong relationships and building trust with them is essential for our business continuity. The Government expects us to contribute to economic growth by creating jobs, investing in development, paying taxes, and complying with legal and regulatory frameworks. Regulatory bodies are responsible for approving and monitoring infrastructure projects and ensuring compliance. While they hold high power over our operations, their direct interest in day-to-day business matters is relatively low.

## CLIENTS AND CUSTOMERS

Clients and customers are central to our success, as strong relationships and high satisfaction levels often lead to repeat business and new opportunities. Effective project delivery and continuous engagement are essential in building trust and securing future work. Many of our engineering services are delivered on client premises, making ongoing customer demand vital to sustaining our operations. With a direct impact on our revenue and reputation, clients and customers hold both high power and high interest in our business.

## SUPPLIERS AND SUBCONTRACTORS

Suppliers and subcontractors are critical to the success of our projects, especially in a construction industry that relies heavily on raw materials and specialized services. Suppliers support us in delivering innovative and efficient solutions, while reliable subcontractors help ensure uninterrupted project execution. We value partners who are trustworthy, cost-effective, high in quality, and ethical in conduct. In return, they expect us to maintain long-term, mutually beneficial relationships and fulfill our contractual commitments. Given their significant role in project delivery, they hold both high power and high interest in the Company.

## BUSINESS PARTNERS

Business partners are essential to our position as a leader in knowledge-based value engineering. Collaborating with companies that specialize in specific areas allows for valuable knowledge sharing and innovation. Many of our infrastructure projects have been successfully delivered through joint partnerships, making these relationships crucial to our growth. Our partners expect us to safeguard their interests, honor obligations promptly, and build sustainable, long-term collaborations. Given their strategic importance, business partners hold both high power and high interest in the Company.

## SOCIETY

The general public, as the end users of our infrastructure projects, expects us to deliver high-quality, safe, and sustainable products and services. Being a responsible corporate citizen by respecting social norms, culture, and maintaining a positive public image is vital for our success. Additionally, the public looks to us to contribute to job creation both directly and indirectly. While their power to influence is low, their interest in our work remains important.

## INDUSTRY PEERS AND COMPETITORS

Industry peers and competitors play an important role in promoting fair competition and ethical business practices, which contribute to the overall development of the sector. They expect us to actively participate in industry initiatives that raise standards and, when collaborating on joint projects, to honor agreements and deliver strong performance. While their power over our business is low, they maintain a steady interest in maintaining a healthy and ethical industry environment.

## LISTENING TO OUR STAKEHOLDERS

Stakeholder	Methods of Engagement	Key concerns raised during the year	Company response
<b>Board of directors</b>	<ul style="list-style-type: none"> <li>» Quarterly board meetings and board committee meetings</li> <li>» Independent evaluation of performance conducted annually</li> </ul>	<ul style="list-style-type: none"> <li>» Strategic diversification of business operations</li> <li>» Strengthening and consolidation of core business activities</li> </ul>	<ul style="list-style-type: none"> <li>» The Company expanded into nine business segments, launching two new subsidiaries: Access Medical Tracers and AEL Port Services. Meanwhile, we continued advancing infrastructure projects nationwide—including buildings, piling, ports, flyovers, and highways—while maintaining optimal capacity utilization to enhance resource productivity.</li> </ul>
<b>Corporate management</b>	<ul style="list-style-type: none"> <li>» Continuous corporate management meetings (At least once every two months)</li> <li>» Monthly progress review and performance review meetings</li> </ul>	<ul style="list-style-type: none"> <li>» Enhancing operational efficiency and productivity</li> <li>» Ensuring the acquisition and retention of new projects</li> </ul>	<ul style="list-style-type: none"> <li>» Resources were strategically deployed to maximize efficiency across all active projects</li> <li>» Additional manpower and expertise were allocated to support large-scale initiatives led by our subsidiary companies</li> <li>» Strengthened project oversight and cost management frameworks to improve delivery and control</li> <li>» Adopted a proactive approach to business development, continuously seeking new opportunities</li> <li>» Successfully secured foreign-funded construction contracts, addressing challenges related to limited domestic financing options</li> </ul>
<b>Investors and shareholders</b>	<ul style="list-style-type: none"> <li>» Periodic meetings conducted as and when required to assess and review project progress</li> <li>» Business promotion meetings held on an as-needed basis to support strategic initiatives</li> <li>» The Annual Integrated Report and the Annual General Meeting (AGM) are conducted on an annual basis.</li> <li>» Interim Financial Statements are published quarterly to ensure timely financial transparency.</li> <li>» Extraordinary General Meetings (EGMs) are held as and when required to address specific shareholder matters.</li> <li>» Dedicated Investor Relations Officer(s) are available on an ongoing basis to respond to investor and shareholder inquiries.</li> <li>» The company website and a dedicated investor relations email provide continuous access to corporate information.</li> </ul>	<ul style="list-style-type: none"> <li>» Delivering a fair and consistent return on investment</li> <li>» Maintaining business stability and sustainability amid a challenging macroeconomic environment</li> <li>» Providing timely and transparent updates on the Company's performance and activities</li> </ul>	<ul style="list-style-type: none"> <li>» Declared dividends amounting to LKR 2,000 million for the fiscal year 2024/25</li> <li>» Achieved continuous growth in Net Asset Per Share throughout the year</li> <li>» Issued press releases highlighting key projects and milestones</li> <li>» Published the Annual Integrated Report to ensure comprehensive transparency</li> <li>» Released Interim Financial Statements on a quarterly basis to keep stakeholders informed</li> <li>» Facilitated frequent dissemination of research reports through stockbrokers</li> <li>» Conducted regular one-on-one engagements with institutional investors, brokerage firms, and research analysts to foster open communication</li> </ul>

# STAKEHOLDER ENGAGEMENT

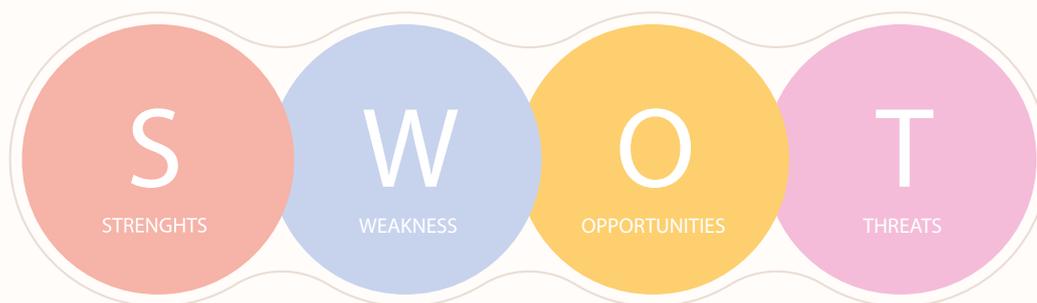
Stakeholder	Methods of Engagement	Key concerns raised during the year	Company response
	<ul style="list-style-type: none"> <li>» Roadshows and investor forums are conducted on a continuous basis to engage with current and potential investors.</li> <li>» Disclosures and announcements are made to the Colombo Stock Exchange (CSE) on a continuous basis in compliance with regulatory requirements.</li> <li>» Research reports published by the stockbroking community offer ongoing insights into the company's performance.</li> <li>» Telephone communication is maintained continuously to address stakeholder concerns and queries.</li> <li>» Email and other forms of written correspondence are used on an ongoing basis to ensure effective communication with investors and stakeholders</li> </ul>		
<b>Banks and prospective leaders</b>	<ul style="list-style-type: none"> <li>» Dues are settled in a timely manner</li> <li>» Periodic financial information is provided on a continuous basis</li> <li>» Queries from lenders are addressed as and when required</li> </ul>	<ul style="list-style-type: none"> <li>» Reducing the average cost of funds</li> </ul>	<ul style="list-style-type: none"> <li>» Undertook a strategic restructuring of the loan portfolio by negotiating with banks and lending institutions to optimize financing costs and improve overall capital efficiency</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>» Management-employee meetings are conducted on a continuous basis</li> <li>» An 'open-door' policy is maintained at all times</li> <li>» Exit interviews are carried out continuously to gather feedback and insights from departing employees</li> <li>» Orientation programs are provided on a continuous basis</li> <li>» Performance appraisals are conducted annually</li> </ul>	<ul style="list-style-type: none"> <li>» Ensuring job security for employees</li> </ul>	<ul style="list-style-type: none"> <li>» Facilitated internal transfers within group companies involved in complementary business areas to optimize workforce deployment</li> <li>» Maintained employee retention by engaging staff across all available projects and operations</li> </ul>
<b>Government and regulatory bodies</b>	<ul style="list-style-type: none"> <li>» The company engages in Public-Private Partnership (PPP) projects on a continuous basis.</li> <li>» Design, Build, Finance, Own, Operate, and Transfer (DBFOOT) projects are pursued as part of ongoing development efforts.</li> <li>» Reports, tax returns, and updates are submitted regularly to ensure timely feedback.</li> <li>» Compliance with regulations is maintained at all times.</li> <li>» The company participates in forums and meetings with authorities as part of ongoing engagement.</li> <li>» Membership in industry associations is maintained continuously.</li> </ul>	<ul style="list-style-type: none"> <li>» The importance of jointly executing projects as investment partners to maximize mutual benefits and foster stronger collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>» , Access Medical Tracers—co-owned by the Sri Lanka Atomic Energy Board and the Ministry of Health—reflects our strong collaboration with government entities to advance national priorities.</li> <li>» We have complied fully with all government regulations, ensuring timely payment of all statutory dues.</li> </ul>

Stakeholder	Methods of Engagement	Key concerns raised during the year	Company response
		<ul style="list-style-type: none"> <li>» Ensuring full compliance with all government regulatory requirements, including timely payment of taxes, rates, and other statutory dues.</li> </ul>	
<b>Clients and customers</b>	<ul style="list-style-type: none"> <li>» The Annual Integrated Report is published once a year.</li> <li>» Business development efforts are carried out proactively on a continuous basis.</li> <li>» Progress review meetings are held regularly to monitor and guide project delivery.</li> <li>» The company website is continuously updated to reflect the latest information.</li> <li>» Social media platforms are actively used to engage with stakeholders.</li> <li>» Dedicated Relationship Managers are assigned to each major customer for ongoing support.</li> <li>» Regular communication is maintained throughout the Defect Liability Period (DLP)</li> </ul>	<ul style="list-style-type: none"> <li>» Delivery of projects at competitive, cost-effective rates</li> <li>» Maintaining high standards of construction quality</li> <li>» Expanding client base beyond Sri Lanka (where applicable)</li> </ul>	<ul style="list-style-type: none"> <li>» Consistently provided cost-efficient and timely solutions to meet client expectations. Our projects are executed with rigorous internal and external quality checks to minimize defects and ensure superior construction standards.</li> <li>» Successfully progressed the Colombo West International Terminal (CWIT) project, carried out under an agreement with Adani Ports, demonstrating our capability to engage in large-scale international partnerships.</li> </ul>
<b>Suppliers and Subcontractors</b>	<ul style="list-style-type: none"> <li>» Subcontractors and suppliers are continuously evaluated to ensure quality and reliability.</li> <li>» Progress review meetings are conducted regularly to monitor ongoing work.</li> <li>» The company website is maintained and updated continuously as an information resource.</li> <li>» Contract negotiations and related communications take place on an ongoing basis.</li> <li>» Procurement Committee meetings are held regularly to support effective decision-making.</li> <li>» Subcontractor meetings are conducted continuously to align on project expectations and timelines.</li> </ul>	<ul style="list-style-type: none"> <li>» Timely settlement of dues</li> <li>» Improving transparency and efficiency in procurement processes</li> </ul>	<ul style="list-style-type: none"> <li>» Settled all supplier dues on time, with zero fines or penalties for delayed payments</li> <li>» Conducted all procurement activities through the Central Procurement Department (CPD)</li> <li>» Invested in e-procurement by implementing SAP Ariba to enhance transparency and efficiency</li> </ul>

# STAKEHOLDER ENGAGEMENT

Stakeholder	Methods of Engagement	Key concerns raised during the year	Company response
<b>Business Partners</b>	<ul style="list-style-type: none"> <li>» Regular visits to and from business partners are conducted continuously to strengthen collaboration.</li> <li>» The company website is maintained and updated on an ongoing basis.</li> <li>» Requests for Proposals (RFPs) are managed continuously to support business opportunities.</li> <li>» Regular written communication and periodic meetings are held for ongoing projects.</li> <li>» · Dedicated Relationship Managers support each major customer continuously to ensure strong partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>» The need to maintain sound and mutually beneficial business relationships</li> </ul>	<ul style="list-style-type: none"> <li>» Continued to nurture and strengthen strategic partnerships through transparent communication and joint project execution</li> <li>» Fostered collaboration with foreign principals to deliver high-quality outcomes and explore new business opportunities</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>» The company website is continuously maintained and updated.</li> <li>» CSR projects are ongoing and actively managed.</li> <li>» Regular media and public communications are conducted continuously.</li> <li>» Participation in and sponsorship of trade exhibitions occur on a continuous basis.</li> <li>» Local communities are consulted continuously during project planning and execution.</li> <li>» The Annual Integrated Report is published annually.</li> </ul>	<ul style="list-style-type: none"> <li>» Enhancing the knowledge base and innovation capacity within the industry</li> </ul>	<ul style="list-style-type: none"> <li>» Provided internship opportunities to university students</li> <li>» Continued to support the Innovation Hub, "Idea Nest," empowering the younger generation to develop innovative solutions</li> <li>» Advanced the practical application of the "Smart Drain" project in collaboration with Dr. Chandrasena</li> <li>» Strengthened partnerships with the National Academy of Sciences Sri Lanka (NASSL) and the Sri Lanka Association for the Advancement of Science (SLAAS) through the "Rebuild Trust in Science" initiative</li> <li>» Introduced several innovative solutions to elevate industry standards</li> </ul>
<b>Industry Peers and Competitors</b>	<ul style="list-style-type: none"> <li>» Membership in industry associations is maintained continuously.</li> <li>» Joint execution of infrastructure projects with peers is ongoing.</li> <li>» Participation in industry advancement workshops and discussion forums occurs regularly.</li> </ul>	<ul style="list-style-type: none"> <li>» Wanting to jointly execute mega-scale infrastructure development projects</li> </ul>	<ul style="list-style-type: none"> <li>» Partnered with China Harbour Engineering Company on the East Container Terminal project</li> <li>» Collaborated with John Keells Holdings PLC on the West Container Terminal project</li> </ul>

# SWOT ANALYSIS



## STRENGTHS

- » Established reputation with proven sectoral expertise, especially in civil engineering, giving Access Engineering a competitive advantage in securing government and private sector projects.
- » Visionary leadership and experienced management team driving the company's strategic direction, operational resilience, and long-term value creation.
- » Diversified operations across nine sectors, including civil engineering, construction-related materials, mechanical engineering, property development (residential, commercial, warehouse), renewable energy, automobile, and radiopharmaceuticals – reducing reliance on any single market.
- » Strong internal capacities with in-house services (design, piling, production plants, workshops) ensuring cost-effective and integrated project execution.
- » Deep technical know-how and multidisciplinary project execution experience, gained from successfully completing a wide range of complex infrastructure projects island-wide.
- » Strong brand reputation and goodwill built on decades of consistent quality, reliability, and stakeholder trust.
- » Publicly listed status on the Colombo Stock Exchange, enhancing transparency, credibility, and access to capital.
- » Continually growing net asset base, demonstrating financial stability and capacity to invest in strategic growth.
- » Continued CIDA top-tier grading across multiple engineering disciplines – a mark of quality and eligibility for high-value tenders.
- » Adoption of digital tools and ERP systems improving decision-making, reporting, and efficiency.
- » Resilient leadership and decentralized operational model supporting efficient project execution in volatile environments.
- » Long-standing relationships with leading financial institutions, enabling competitive financing options and liquidity support.
- » Commitment to value engineering, ensuring cost-effective, high-quality, and timely project delivery across all construction undertakings.
- » Strong partnerships with globally reputed international firms, bringing in advanced technology, global best practices, and co-development opportunities.
- » Robust governance and compliance frameworks that reinforce accountability, stakeholder confidence, and corporate sustainability.

## WEAKNESSES

- » Revenue concentration in domestic markets leaves the company highly exposed to local economic and political fluctuations.
- » Limited project portfolio outside Sri Lanka, despite strong credentials and potential for international growth.

## OPPORTUNITIES

- » Post-IMF economic stabilization boosting investor confidence and infrastructure investments.
- » Access to multilateral and bilateral funding reopening for infrastructure, housing, and logistics projects.
- » Increased demand for vertical housing and commercial real estate, especially in urban centers.
- » Rising interest in PPP and Build-Operate-Transfer (BOT) project models in public infrastructure, offering long-term growth potential.
- » Potential for overseas expansion through partnerships with international contractors and engineering firms, leveraging past joint project experience
- » Export-oriented opportunities via logistics and warehousing developments as Sri Lanka positions itself as a regional hub.
- » Expansion into Renewable Energy, capitalizing on national targets for green energy and Access's capability to deliver engineering and utility-scale renewable solutions.
- » Entry into the high-potential Radiopharmaceuticals sector, driven by rising healthcare demand and regional supply gaps, positioning Access in a niche, future-ready market.
- » Growing national and global focus on sustainable construction, providing opportunities for green building certifications and ESG-aligned projects.
- » Advancement in digital engineering and project management tools, enabling smarter, more efficient operations and client servicing.

## THREATS

- » VAT and other tax increases significantly impacting input costs and project profitability.
- » Persistent skilled labor outflow, reducing availability of quality engineers and technicians.
- » Funding uncertainties from international creditors and donor agencies due to global or regional instability.
- » Fluctuations in foreign exchange and interest rates impacting import costs and financing arrangements.
- » Intense competition in the construction and materials space, especially from price-undercutting smaller players.
- » Regulatory unpredictability related to urban development, environmental permits, and public procurement.
- » Raw material supply bottlenecks, such as sand and aggregates, disrupting construction timelines

# PESTEL ANALYSIS



## POLITICAL

Factor	Commentary	Impact to AEL FY 2024/25
Political Stability	Political stability of a country will set the tone for its way forward influencing all policies, regulations that will impact business organisations	LOW
Policy Inconsistency	Infrastructure development is heavily dependent on the policy directions set out by the GoSL  Gradual recommencement of fund disbursement by the Government for infrastructure development in 2023.	MODERATE
Funding, Grants, and Initiatives	IMF-EFF program and improved debt restructuring have enabled recommencement of multilateral and bilateral project funding.  The tendency to increasingly engage in multilateral and bi-lateral funded projects will improve the flow of foreign funds and grants to the country  Payment terms negotiated by the GoSL including the criteria for local engagement (grace period, interest rate, etc..) will have a direct impact on construction contracts	MODERATE
International Relations & Trade Agreements	The open economy policy adopted by Sri Lanka to improve Foreign Direct Investments has attracted the participation of international firms especially in the construction sector  Local Companies including construction companies are bound by the International Treaties that Sri Lanka has pledged to uphold  Most of the construction projects executed in Sri Lanka are governed by the conditions set out by the International Federation of Consulting Engineers (FIDIC)  Foreign funded construction projects are governed by the bilateral and multilateral funding agreements between Sri Lanka and the respective countries or funding agencies  Lifting of restrictions imposed on Sri Lanka in engaging in global trade following the IMF - EFF and the conclusion of sovereign debt restructuring	MODERATE
War, terrorism and conflicts	Terrorist activities would hamper the economic development and business sentiment in general  Eradication of civil unrest that prevailed in 2022 paved the way for restoration of law and order	LOW



## ECONOMIC

Factor	Commentary	Impact to AEL FY 2024/25
Local Economic Conditions	Construction's contribution to GDP remains low , indicating ongoing stress despite slow recovery.  Funding constraints due to treasury not having sufficient funds continue to influence the progress of infrastructure development activities	HIGH
General Taxation	High VAT (18%), corporate tax (30%), and SSCL continue to impact profit margins.	HIGH
Interest and Exchange Rates	Declining interest rates post-DDO provide financing relief. Exchange rate stabilization helps in cost planning.	MODERATE
International Trade & Monetary Issues	Tendency to import construction related materials and machinery from low-cost destinations, while lowering the cost of construction, may compromise on quality  Free Trade Agreements, bilateral and multilateral agreements enhancing the potentials for engaging in international trade including the possibility of carrying construction projects overseas	MODERATE
Weather and Seasonality	Irregular weather patterns continue to disrupt on-site work schedules.	MODERATE
Sector-Specific Developments	Rise in attention towards condominium developments and logistic warehousing boosts demand for specialized construction.	MODERATE



## SOCIAL

Factor	Commentary	Impact to AEL FY 2024/25
Urban Lifestyle Trends	Shift to apartment living and smart home features creates new demand for space-efficient buildings.  Gradual increase in domestic spending owing to improving macro – economic conditions.	MODERATE
Demographics	Outmigration of skilled labor and aging workforce creates talent shortages in construction.  Ageing population creating limitations for the potential workforce especially engaging in construction related works	HIGH
Job Perceptions	Youth prefer white-collar careers; low attraction toward construction work exacerbates labor gaps.	MODERATE
Superstitious Beliefs	Beliefs on auspicious and non-auspicious times of the day still influence individual house construction timing but less relevant for large-scale projects.	LOW
Consumer Attitudes	People are becoming more environmentally concerned, creating a tendency to demand for more sustainable construction technologies and methodologies. This results in further emphasis on Green construction methods.	MODERATE
Media Influence	Public interest in infrastructure quality and housing issues increases scrutiny on developers.	MODERATE

# PESTEL ANALYSIS



## SOCIAL Contd.

Factor	Commentary	Impact to AEL FY 2024/25
Organizational Reputation	Stakeholders expect strong organisational reputation, brand image and corporate transparency.	MODERATE
Buying Patterns	Increased interest in mixed-use urban spaces and high-rise residences.	MODERATE
Tourism and MICE Recovery	Growing demand for hotels and event venues revives infrastructure opportunities.	HIGH
Equity & Inclusive Design Expectations	Greater attention to gender-sensitive, disability-friendly, and accessible design across public infrastructure.	MODERATE



## TECHNOLOGICAL

Factor	Commentary	Impact to AEL FY 2024/25
Emerging Technologies	Development of modern techniques that; <ul style="list-style-type: none"> <li>» Reduce the use of natural resources and raw materials</li> <li>» Reduce pollution such as use of fly ash from power plants to create concrete blocks</li> <li>» Reduces cost and speeds up construction such as prefabricated construction, self-healing concrete and advance finishing materials</li> </ul>	MODERATE
Digital Construction Tools	Development of sophisticated software. Especially for the purposes of designing which in turn result in accuracy and speed. <ul style="list-style-type: none"> <li>» Use of Building Information Modelling (BIM)</li> <li>» Augmented reality/virtualization designs</li> <li>» Use of fibre optic monitoring technology</li> <li>» Remote monitoring of construction progress using drones</li> <li>» 3D scanning and photogrammetry</li> </ul>	HIGH
Industry Tech Maturity	The construction industry is moving from being a strictly labour incentive one to a more knowledge incentive one  Emerging technological advances used throughout the world to foster efficient construction are now introduced and used in Sri Lanka	MODERATE
R&D and Innovation Focus	Collaborative research (e.g., Smart Drain project) and digital innovations are being recognized.	MODERATE
Obsolete Machinery Risk	Some legacy equipment and traditional methods may reduce efficiency and competitiveness.	LOW
Digital Procurement & Project Management [NEW]	Use of digital tendering platforms and project tracking tools is increasing.	MODERATE



## ENVIRONMENTAL

Factor	Commentary	Impact to AEL FY 2024/25
Climate Change Risks	Flooding and extreme weather events continue to affect project sites and planning.	MODERATE
Green Construction Expectations	Green building certifications and energy efficiency standards are gaining importance in bids.	MODERATE
Waste Management	Increasing need to comply with debris management and sustainable disposal regulations.	MODERATE
Natural Resource Use	Higher expectations for responsible use of water, timber, and aggregates.	MODERATE
Biodiversity Protection	Projects near sensitive zones face stricter environmental scrutiny.	MODERATE
Renewable energy	Increased national and corporate focus on renewable energy projects (e.g., solar farms, mini-hydro, wind) aligns with decarbonisation goals and creates construction opportunities under ESG-driven mandates	LOW



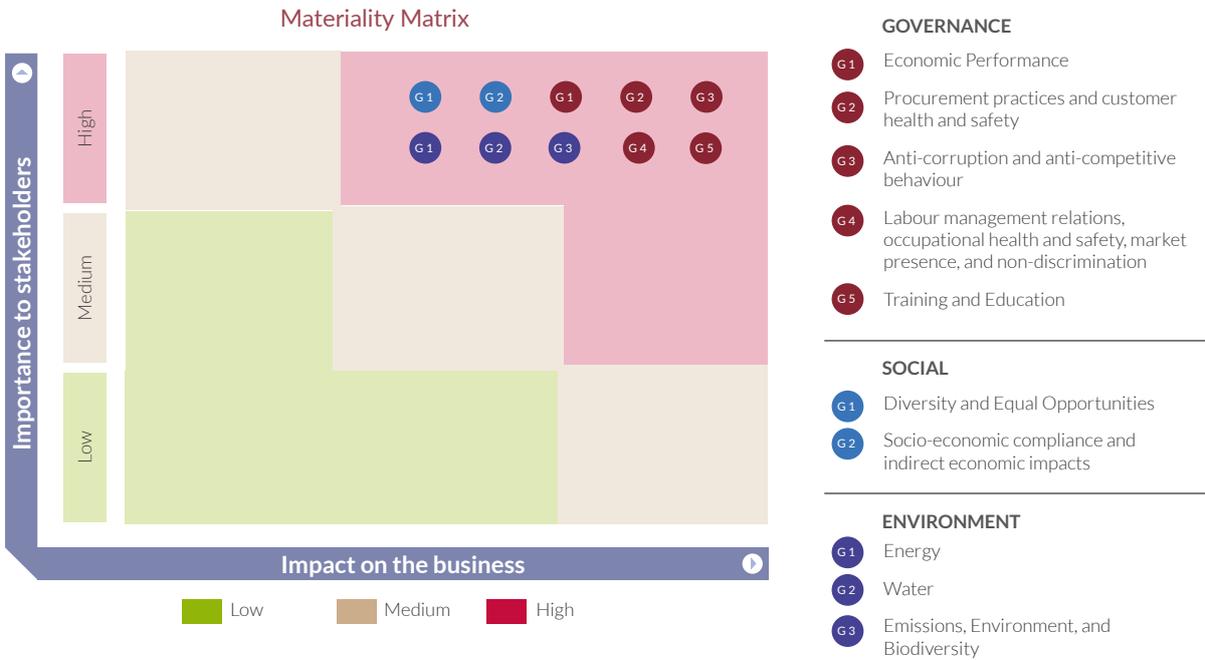
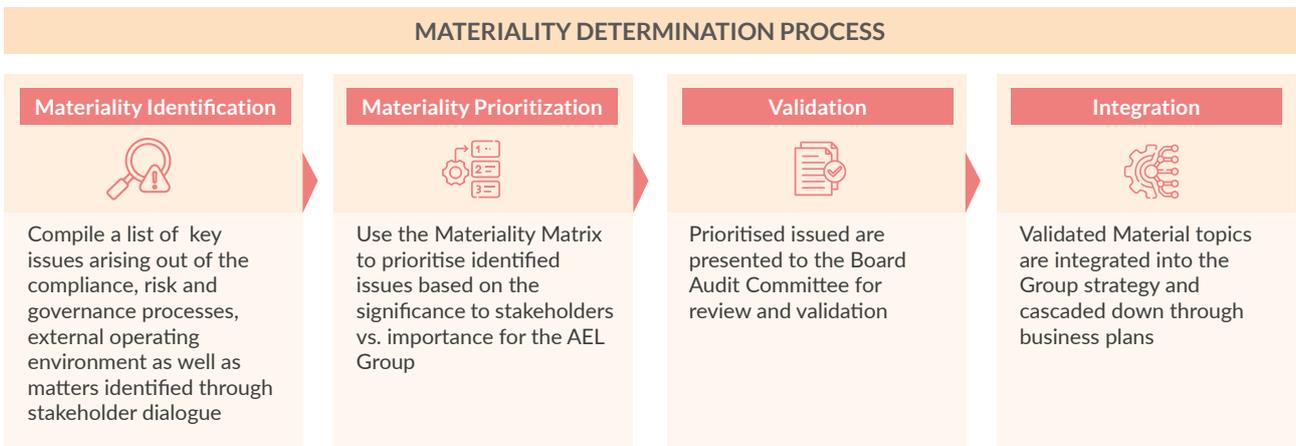
## LEGAL

Factor	Commentary	Impact to AEL FY 2024/25
Labour Laws	Laws stated by the Labor Authority relating to working hours, minimum wage rates, leave, Employee Provident Fund, Employee Trust Fund and health and safety of employees require consistent compliance.	MODERATE
Construction Licensing & Approvals	Laws and regulations relating to obtaining construction licences, approval of plans etc.	MODERATE
Commercial Law	Adherence to contract law, insurance obligations, Companies' Act is essential for large-scale projects.	MODERATE
International Legal Obligations	FIDIC-based contracts and bilateral/multilateral loan agreements set stringent execution and reporting frameworks.	MODERATE
Compliance requirements of regulatory bodies	All industry participants are required to confirm to the specifications stated by the Construction Industry Development Authority (CIDA)  The CIDA has specified grading for construction companies and the renewal of grading will occur by observing compliance with the established rules and regulations  Specifications set out by the implementing agencies such as the Urban Development Authority (UDA), Road Development Authority (RDA), Sri Lanka Ports Authority (SLPA) and the National Water Supply and Drainage Board (NWS&DB)	MODERATE
Capital Market Compliance	As a listed entity, AEL must follow SEC and CSE guidelines in reporting, transparency, and governance.	MODERATE

# MATERIAL TOPICS

Material topics represent the most critical factors influencing the Group’s operations, competitive positioning, and ability to generate sustainable value. Identifying and managing Material Topics is therefore a fundamental component of shaping the AEL Group’s strategic direction, both in the short and long term. As such the Materiality determination process follows a comprehensive and dynamic structure that factors in emerging business risks, growth opportunities, and macro-environmental shifts, while also reflecting the concerns and expectations of both internal and external stakeholders. Insights collected in this manner are evaluated and plotted on a Materiality Matrix to map their importance to stakeholders against their potential impact on the Group

In line with global best practices, the AEL Group has further enhanced its approach by applying a double materiality lens to assess both the financial implications of Material Topics, as well as their broader environmental, social, and governance (ESG) impacts. This dual perspective ensures that the Group’s strategies are not only commercially robust but also environmentally responsible and socially inclusive, reinforcing AEL’s commitment to evolving as a future-ready and sustainability-focused organisation.



GRI 3-2, 3-3

Material Topic	Topic Boundary	Double Materiality Rating		Management Approach	Link to AEL Group Strategy	Tracking and Reporting
		Financial Materiality	Impact Materiality			
<p>Economic Performance</p> <p><b>G 1</b></p>	<p>Internal - Business areas such as Finance, Strategy, Operations, Investor Relations, and Internal Audit</p> <p>External - Shareholders and Investors, Government and regulatory bodies</p>	H	H	<p>The AEL Group adopts a dual growth strategy, pursuing both organic expansion through business diversification and integration, and inorganic growth via mergers and acquisitions. While driving growth, the Group ensures consistent shareholder returns and maintains transparency through adherence to local regulations and global reporting standards such as GRI, IR, and the SDGs. Financial performance is communicated via audited and interim financial statements, supported by a strong internal control framework. Regular internal and external audits validate both financial and non-financial disclosures, reinforcing accountability and governance</p>	<p>» Financial Resilience</p> <p>» Operational Excellence</p>	<p>ROA</p> <p>ROE</p> <p>Asset Turnover Ratio</p> <p>GRI 201</p> <p>GRI 207</p>
<p>Procurement practices and customer health and safety</p> <p><b>G 2</b></p>	<p>Internal - Business areas such as procurement, project management, operations, Health &amp; Safety, Internal Audit &amp; Compliance</p> <p>External - Suppliers and Subcontractors, Business Partners, Clients and customers, Government and regulatory bodies, Society</p>	H	H	<p>The AEL Group adopts a rigorous approach to supplier selection, ensuring that all partners are screened through a stringent evaluation process. Preference is given to local suppliers wherever feasible, reinforcing the Group's commitment to supporting domestic enterprise. Routine supplier audits are conducted to ensure continued alignment with the Group's governance and operational frameworks.</p> <p>Health and safety, particularly that of the general public, is treated as a top priority across all operations. All activities and infrastructure development are carried out in full compliance with applicable regulatory health and safety guidelines. A structured programme of safety audits provides assurance on the effectiveness of existing safety systems, while quarterly risk assessments and hazard identification processes are used to proactively identify and address any safety gaps</p>	<p>» Operational Excellence</p> <p>» Sustainability Integration</p>	<p>GRI 204</p> <p>GRI 308</p> <p>GRI 414</p> <p>GRI 416</p> <p>GRI 417</p> <p>GRI 418</p>

# MATERIAL TOPICS

GRI 3-2, 3-3

Material Topic	Topic Boundary	Double Materiality Rating		Management Approach	Link to AEL Group Strategy	Tracking and Reporting
		Financial Materiality	Impact Materiality			
<p>Anti-corruption and anti-competitive behaviour</p> <p><b>G 3</b></p>	<p>Internal - all business operations and encompassing all internal stakeholders from the Board of Directors, corporate management and all employees</p> <p>External - Shareholders and Investors, Clients and customers, Suppliers and Subcontractors, Business Partners, Government and regulatory bodies, Society, Industry Peers and Competitors</p>	H	H	<p>The AEL Group upholds ethics and integrity as fundamental pillars of its corporate identity. To safeguard against corruption, the Group has established robust anti-corruption programmes that are periodically reviewed and strengthened as needed. Employees are continuously educated on ethical conduct, while the organisation is evaluated through annual financial reports, internal audits, and other control mechanisms to ensure accountability.</p> <p>In addition, the Group remains fully aware of the adverse effects of anti-competitive behaviour on the broader industry. As such, it fosters professional and respectful relationships with competitors, reinforcing its commitment to fair business practices. Notably, during the financial year 2024/25, there were no legal actions taken against the AEL Group for anti-competitive behaviour, antitrust violations, or monopoly practices</p>	<ul style="list-style-type: none"> <li>» Operational Excellence</li> <li>» Sustainability Integration</li> </ul>	<p>GRI 205</p> <p>GRI 206</p>
<p>Labour management relations, occupational health and safety, market presence, and non-discrimination</p> <p><b>G 4</b></p>	<p>Internal - Business areas such as HR, Health &amp; Safety, Internal Audit &amp; Compliance</p> <p>External - Government and regulatory bodies, Suppliers and Subcontractors, Business Partners, Society, Industry Peers and Competitors</p>	H	H	<p>The AEL Group fosters a supportive and inclusive work environment by offering a comprehensive range of monetary and non-monetary incentives, including performance-based rewards, welfare benefits, and continuous learning opportunities. All employees, regardless of their grade are provided access to internal and external training programmes and a clear, merit-based career progression path.</p> <p>The Group is committed to upholding the highest standards of occupational health and safety, setting annual OHS objectives and conducting OHSAS audits to ensure a safe working environment. Recognised as an equal opportunity employer, AEL prohibits discrimination based on race, religion, gender, class, or disability. While the workforce is predominantly male due to the industry's nature, the Group actively promotes female recruitment wherever feasible.</p> <p>AEL also maintains full compliance with local labour laws and regulations, with an employee handbook in place to clearly outline policies, procedures, and entitlements. Priority is given to hiring locally, especially for senior management roles acknowledging the value of local knowledge. Annual performance appraisals are conducted to evaluate employee contributions and support continuous development.</p>	<ul style="list-style-type: none"> <li>» Operational Excellence</li> <li>» Workforce Management</li> </ul>	<p>GRI 202</p> <p>GRI 401</p> <p>GRI 402</p> <p>GRI 403</p> <p>GRI 407</p> <p>GRI 408</p> <p>GRI 409</p>

GRI 3-2, 3-3

Material Topic	Topic Boundary	Double Materiality Rating		Management Approach	Link to AEL Group Strategy	Tracking and Reporting
		Financial Materiality	Impact Materiality			
<p>Training and Education</p> <p><b>G 5</b></p>	<p>Internal - Business areas such as HR, L&amp;D</p> <p>External - Government and regulatory bodies</p>	H	H	<p>AEL recognises that in an industry facing a shortage of highly skilled labour, investing in training and development is essential to maintaining competitiveness and operational excellence. To this end, the Group offers a range of internal and external training programmes to employees across all levels, including those in the worker category.</p> <p>Training needs are systematically identified through performance evaluations and managerial recommendations. Based on these insights, an annual training calendar is developed to address priority skill areas. Following each training cycle, the Human Resources Department conducts formal evaluations to assess effectiveness, identify remaining skill gaps, and gather feedback for continuous improvement. This structured approach ensures that employee development remains aligned with evolving business requirements and industry standards</p>	<p>» Workforce Management</p>	GRI 404
<p>Diversity and Equal Opportunities</p> <p><b>G 1</b></p>	<p>Internal - Business areas such as HR under the oversight of the Board of Directors</p> <p>External - Society, Government and regulatory bodies</p>	H	H	<p>The AEL Group upholds its commitment as an equal opportunity and non-discriminatory employer, embracing diversity across race, religion, gender, class, and disability. While the workforce is currently male-dominated due to the nature of the industry, the Group continues to make deliberate efforts to enhance gender parity by increasing the representation of women across all levels of its operations. Recruitment, promotions, and reward schemes are carried out through transparent, merit-based processes that ensure fairness and equal access to opportunities. These principles are clearly articulated in the Group's employee handbook, which serves as a formal guide on its stance regarding equality and inclusivity in the workplace</p>	<p>» Workforce Management</p> <p>» Sustainability Integration</p>	GRI 405 GRI 406

# MATERIAL TOPICS

GRI 3-2, 3-3

Material Topic	Topic Boundary	Double Materiality Rating		Management Approach	Link to AEL Group Strategy	Tracking and Reporting
		Financial Materiality	Impact Materiality			
<p>Socio-economic compliance and indirect economic impacts</p> <p><b>G 2</b></p>	<p>Internal - Business areas such as procurement, CSR and sustainability</p> <p>External - Society, Suppliers and Subcontractors, Business Partners, Clients and customers, Government and regulatory bodies, Industry Peers and Competitors</p>	H	H	<p>The AEL Group acknowledges the significant impact its projects can have on local communities and is committed to full compliance with all relevant laws and regulations across its operations. The Group actively supports communities by generating direct and indirect economic benefits, including employment creation, local sourcing of materials, and involvement in community development initiatives. The company's sustainability policy and strategy serve as key tools to communicate its commitment to social responsibility, while its Annual Report extends this communication to a broader audience, highlighting its ongoing community engagement efforts</p>	» Sustainability Integration	GRI 203 GRI 413
<p>Energy</p> <p><b>G 1</b></p>	<p>Internal - Business areas such as operations and sustainability</p> <p>External - Society, Government and regulatory bodies</p>	H	H	<p>The AEL Group actively adopts energy-saving practices to minimize consumption across its operations. This includes utilizing renewable energy sources, such as solar power, investing in energy-efficient construction methods and advanced technologies, and educating employees on the importance of energy efficiency. Energy consumption data is systematically recorded and monitored to assess the effectiveness of these initiatives. Additionally, each business unit is assigned specific energy consumption targets, which are closely overseen by the Group's Management Systems Team.</p>	<p>» Operational Excellence</p> <p>» Sustainability Integration</p>	GRI 302
<p>Water</p> <p><b>G 2</b></p>	<p>Internal - Business areas such as operations and sustainability</p> <p>External - Society, Government and regulatory bodies</p>	H	H	<p>The AEL Group has implemented multiple strategies to reduce and conserve water usage across its operations. These measures include adopting innovative construction techniques that require less water, budgeting water consumption for each activity or project, and promoting the reuse and recycling of water, such as within workshop processes. Employee awareness programs emphasize the importance of water conservation. Water usage data is systematically recorded and monitored to assess the effectiveness of these initiatives. Additionally, each business unit is assigned specific water consumption targets, which are overseen by the Management Systems Team to ensure accountability and continuous improvement</p>	<p>» Operational Excellence</p> <p>» Sustainability Integration</p>	GRI 303 GRI 306

GRI 3-2, 3-3

Material Topic	Topic Boundary	Double Materiality Rating		Management Approach	Link to AEL Group Strategy	Tracking and Reporting
		Financial Materiality	Impact Materiality			
Emissions, Environment, and Biodiversity 	Internal - Business areas such as operations and sustainability	H	H	The AEL Group's commitment to sustainable construction has consistently minimized its environmental impact. Each project begins with an Environmental Impact Assessment (EIA) conducted by relevant authorities. Environmental performance is rigorously monitored through the Group's Environmental Management System (EMS), which undergoes external verification. Annual emission targets are established at the start of each financial year, with ongoing monitoring through regular EMS audits. The Company also promotes environmental awareness among employees and implements tree planting initiatives to offset emissions.  Biodiversity preservation is emphasised throughout the organization via the environmental policy, applicable laws and regulations, and EMS requirements. The Management Systems Team conducts audits and site visits to identify potential impacts on biodiversity, with findings regularly reported to clients during project progress reviews.	» Operational Excellence » Sustainability Integration	GRI 304 GRI 305
	External - Society, Government and regulatory bodies					

# STRATEGY AND RESOURCE ALLOCATION

Strategy development at AEL is based on a deep understanding of how market dynamics and stakeholder expectations can influence the Group's long term vision. The process begins with a comprehensive environmental scan, using tools such as SWOT and PESTEL analyses to identify emerging risks, opportunities, and key macroeconomic and sectoral trends. A critical component of this process is the identification of material topics,

issues of highest relevance to both stakeholders and the business. Strategy formulation is undertaken by cross-functional teams and approved by the Board of Directors.

The integration of strategic objectives are cascaded into departmental plans, with measurable key performance indicators (KPIs) which are tracked to assess progress and enable timely corrective action to ensure the Group

remains aligned with its long-term value creation goals and external sustainability expectations.

The Board of Directors and senior management play a central role in strategy oversight and monitoring execution supported by periodic reviews and performance evaluations to ensure the strategy remains responsive to changing internal and external conditions.



 <b>FINANCIAL RESILIENCE</b>	
Building a diversified revenue base, improving cost efficiency, and navigating market volatility by maintaining healthy cash flows, optimising capital allocation, and prudent risk management coupled with sound financial governance to ensure long-term financial stability and strength.	
<b>Material Topics</b>	» Economic Performance
<b>Risks</b>	BR2   BR3   BR4   FR1   FR2   OR1
<b>Resource Allocation</b>	» LKR. 297 Mn invested in PPE
Financial Capital	» Business diversification into the local healthcare and renewable energy sectors
Manufactured Capital	
Intellectual Capital	
<b>Value Created</b>	» 60 % year on year revenue growth » 179 % year on year increase in EBIT » 51% Asset Turnover ratio » 57 % Debt-to-Equity Ratio » 1.51 Current Ratio (No. of times) » 16.24% Return on Equity (ROE)



## OPERATIONAL EXCELLENCE

Focus on innovation, adoption of cutting-edge technologies and continuous process improvement to enhance productivity, efficiency, and quality across all operations

<b>Material Topics</b>	<ul style="list-style-type: none"> <li>» Economic Performance</li> <li>» Procurement practices and customer health and safety</li> <li>» Anti-corruption and anti-competitive behaviour</li> <li>» Labour management relations, occupational health and safety, market presence, and non-discrimination</li> <li>» Energy</li> <li>» Water</li> <li>» Emissions, Environment, and Biodiversity</li> </ul>
<b>Risks</b>	BR1   BR3   OR1   OR2   OR3   OR4   OR5   OR6
<b>Resource Allocation</b>	<ul style="list-style-type: none"> <li>» LKR 35 Mn invested in upgrading IT Systems</li> </ul>
Financial Capital	<ul style="list-style-type: none"> <li>» AI Drain project through the IdeaNest hub</li> </ul>
Manufactured Capital	<ul style="list-style-type: none"> <li>» Pioneered the introduction of new Zinc Thermal Spray technology for guardrail materials</li> </ul>
Intellectual Capital	<ul style="list-style-type: none"> <li>» LKR 8,636 Mn paid to suppliers for material purchases</li> </ul>
Social and Relationship Capital	
<b>Value Created</b>	<ul style="list-style-type: none"> <li>» 100% Customer complaints resolved</li> <li>» 79% Total Shareholder Return</li> <li>» 8% Return on Assets (ROA)</li> </ul>



## WORKFORCE MANAGEMENT

Build a capable, engaged, and future-ready workforce through targeted recruitment, inclusive workplace practices, structured career development, and a strong focus on occupational health and safety, thereby ensuring that employees are empowered, well-supported, and aligned with the Group's values

<b>Material Topics</b>	<ul style="list-style-type: none"> <li>» Labour management relations, occupational health and safety, market presence, and non-discrimination</li> <li>» Training and Education</li> <li>» Diversity and Equal Opportunities</li> </ul>
<b>Risks</b>	OR5
<b>Resource Allocation</b>	<ul style="list-style-type: none"> <li>» LKR 2,869 Mn distributed as monetary benefits to employees</li> </ul>
Financial Capital	<ul style="list-style-type: none"> <li>» 99% employees receiving performance evaluations employees</li> </ul>
Human Capital	<ul style="list-style-type: none"> <li>» LKR 3 Mn invested in training</li> <li>» 42 Employees participated in the safety programme</li> </ul>
<b>Value Created</b>	<ul style="list-style-type: none"> <li>» 94% male : 6% female - overall gender ratio</li> <li>» 92% male : 8% female - gender ratio at a leadership level</li> </ul>

# STRATEGY AND RESOURCE ALLOCATION



## SUSTAINABLE OPERATIONS

Embedding environmental and social sustainability into the Group's core business in line with global best practices to support sustained stakeholder value creation over the long term

<b>Material Topics</b>	<ul style="list-style-type: none"><li>» Procurement practices and customer health and safety</li><li>» Socio-economic compliance and indirect economic impacts</li><li>» Energy</li><li>» Water</li><li>» Emissions, Environment, and Biodiversity</li></ul>
------------------------	--

<b>Risks</b>	CRR1
--------------	------

<b>Resource Allocation</b>	<ul style="list-style-type: none"><li>» LKR 3.7 Mn incurred on CSR and Donation</li></ul>
Financial Capital	<ul style="list-style-type: none"><li>» LKR 2,960 Mn invested in commissioning 15.8 MW rooftop solar system</li></ul>
Social and Relationship Capital	
Natural Capital	

<b>Value Created</b>	<ul style="list-style-type: none"><li>» 30% year on year reduction in water consumption</li><li>» 51% reduction in paper consumption</li></ul>
----------------------	--

# SUSTAINABILITY COMMITMENTS

The AEL Group has always maintained a firm commitment to embedding sustainability across all aspects of its business operations in order to build operational resilience, drive innovation, and create long-term value for all stakeholders, and in doing so position itself as a responsible leader in Sri Lanka's corporate landscape.

The Group strives to integrate sustainability across all operational aspects, from the adoption of energy-efficient construction practices and renewable energy investments to the implementation of responsible resource management strategies, including waste reduction and water conservation. Similarly, AEL also places significant emphasis on social sustainability, ensuring safe, inclusive, and equitable working environments, supporting employee well-being, and promoting community development through local employment and engagement initiatives.

Governance structures play a key role in aligning the Group's sustainability objectives with global benchmarks and stakeholder expectations. Initiatives are guided by robust frameworks such as Environmental Management Systems (EMS) and are aligned with internationally recognised standards, including the United Nations Sustainable Development Goals (SDGs).

## AEL Group Alignment with the SDG's



### Good Health and Well-being

AEL places a strong emphasis on employee health and safety through comprehensive Occupational Health and Safety (OHS) systems. The Group conducts regular safety audits, provides health insurance, and maintains emergency preparedness across sites. Recreational and wellness facilities are also integrated into workplace infrastructure, supporting the physical and mental well-being of its workforce.



### Quality Education

The Group invests in upskilling its workforce through technical and leadership training programmes based on training needs identified through performance evaluations. Furthermore, AEL supports educational outreach and vocational development in local communities through CSR initiatives and internships.



### Gender Equality

As an equal opportunity employer, AEL enforces a non-discriminatory across all aspects of the employment lifecycle. This commitment is institutionalised through a framework of formal Board-approved internal policies and the Group employee handbook. Moreover the Group actively seeks to improve female participation, particularly in technical and professional roles.



### Clean Water and Sanitation

AEL has implemented rigorous water management practices, including budgeting consumption for each project, recycling water, and adopting water-efficient construction techniques. Rainwater harvesting systems have also been introduced at selected facilities to reduce reliance on municipal water sources and promote sustainable water use. Water consumption is tracked and monitored by the Group's Management Systems Team to drive continuous improvement and ensure responsible usage.



### Affordable and Clean Energy

The Group has made significant investments in renewable energy infrastructure, such as the commissioning of large-scale rooftop solar PV systems at its logistics parks in Kimbulapitiya. These initiatives contribute to national energy self-sufficiency and reduce dependence on fossil fuels, while showcasing AEL's leadership in clean energy adoption.

# SUSTAINABILITY COMMITMENTS

## AEL Group Alignment with the SDG's



### Decent Work and Economic Growth

AEL generates direct and indirect employment across the Country, by prioritising local recruitment, and ensuring fair remuneration and safe working conditions. The Group also supports inclusive growth by offering equal access to training, career progression based on merit, and engaging with local suppliers and SMEs.



### Industry, Innovation and Infrastructure

As a leading player in Sri Lanka's engineering and infrastructure sectors, AEL contributes to modern, resilient infrastructure development. The Group champions innovation in construction methodologies, invests in digital tools, and adopts sustainable building materials, all of which reflect its commitment to building future-ready infrastructure.



### Reduced Inequalities

AEL fosters an inclusive work culture where diversity is valued and discrimination or harassment of any form is strictly not tolerated. The Group's equal opportunity policy ensures that individuals from diverse backgrounds, including those with disabilities, have fair access to employment and career advancement opportunities. Leaders at all levels are expected to actively promote workplace inclusivity and ensure the respectful treatment of colleagues, thereby reinforcing a culture of dignity, equity, and mutual respect across the organisation.



### Sustainable Cities and Communities

SDG 11: The Group plays a crucial role in shaping urban landscapes through sustainable construction and development projects. Projects such as greenfield logistics facilities and smart commercial complexes incorporate green building practices, stormwater management, and renewable energy, contributing to more sustainable and liveable cities.



### Responsible Consumption and Production

AEL's operations are governed by strict environmental protocols, including waste segregation, recycling, and reduction of landfill contributions. The Group adopts responsible procurement practices and monitors material consumption closely to reduce resource wastage across all projects.



### Climate Action

Through the integration of energy-efficient technologies, transition to renewable energy sources, and monitoring of emissions via the Environmental Management System (EMS), AEL actively reduces its carbon footprint. The Group also engages in carbon offset initiatives such as tree planting and biodiversity conservation.



### Partnerships for the Goals

AEL collaborates with local government bodies, international technology partners, suppliers, and local communities to achieve sustainable outcomes. Likewise the Group's partnerships with global leaders demonstrate its commitment to shared value creation and capacity building in alignment with the SDGs.

## SLFRS S1 & S2 ADOPTION

### OVERVIEW

AEL has taken a proactive and strategic step forward in advancing sustainability reporting through the early adoption of SLFRS S1 and S2, the newly issued sustainability-related disclosure standards by CA Sri Lanka. The SLFRS S1 & S2 standards have been developed in alignment with the global frameworks of the IFRS Foundation and the International Sustainability Standards Board (ISSB) to provide a consistent and comparable approach to sustainability and climate-related financial disclosures.

In adopting these standards ahead of mandatory timelines, AEL has leveraged the transitional relief measures offered by the standard-setting bodies in order to focus on practical implementation of the standards with particular emphasis on SLFRS S2, which addresses climate-related disclosures. Doing so enables AEL to identify, assess, and communicate the financial impacts of climate risks and opportunities across its operations. Parallel to this, AEL has also begun expanding its disclosures under SLFRS S1, laying the groundwork for a more comprehensive and integrated sustainability reporting framework.

### GOVERNANCE

#### Board Oversight

The AEL Board of Directors retains ultimate responsibility for overseeing the identification, management, and strategic integration of sustainability and climate-related risks and opportunities. In fulfilling this role, the Board ensures that such matters are embedded into the Group's long-term business strategy, risk management frameworks, and capital allocation decisions. The Board works closely with all Board Committees to monitor progress against the Group's sustainability objectives, assesses the financial and operational implications of emerging environmental and climate risks, and provides strategic guidance to strengthen resilience and create long-term value for all stakeholders.

### Management Role

To embed ESG considerations within the organisation, the Board has established a dedicated ESG Management Committee to assess current practices, identify gaps, and recommend initiatives aligned with the Group's long-term sustainability objectives. These insights and recommendations are submitted to the Board of Directors for strategic alignment and oversight. The ESG Management Committee also plays a key role in evaluating ESG-related risks and opportunities, initiating preliminary work to integrate ESG principles into core operations and ensuring the Group's evolving ESG approach remains aligned with emerging regulatory frameworks, including the SLFRS S1 and S2 standards.

As part of broader efforts to build internal capacity and foster an organisation-wide understanding of ESG, ESG Management Committee is tasked with conducting targeted training sessions for staff across multiple functions. These sessions focused on familiarising teams with the core concepts of ESG and enhancing awareness of the SLFRS S1 and S2 standards, laying the groundwork for deeper engagement and effective implementation across the organisation.

### Strategy

Considering the diverse sectors that the AEL Group is present in, the Group ESG strategy is structured around three core pillars that reflect both global best practices and the unique expectations of our local context in Sri Lanka.

- » **Environmental Responsibility:** Enhancing resource efficiency, reducing carbon emissions across our project lifecycle, and adopting sustainable engineering practices.
- » **Social Empowerment:** Prioritising employee safety, diversity, training, and community partnerships to ensure inclusive growth.

- » **Strong Governance:** Upholding ethical conduct, regulatory compliance, risk management, and transparent reporting practices to protect stakeholder trust.

As a first step to support the implementation of the AEL's ESG strategy, a new ESG data management software platform was implemented in the current year. This digital solution centralises the collection, analysis, and reporting of environmental, social, and governance metrics across all business units and projects. By enabling real-time tracking of key sustainability indicators, the platform not only supports compliance with evolving regulatory requirements such as SLFRS S1 and S2, but also strengthens the transparency and reliability of ESG disclosures for investors and other stakeholders. Through this digitised and automated approach, the Group has significantly enhanced the accuracy, efficiency, and credibility of its sustainability reporting processes, reinforcing its position as a leader in responsible business practices.

### Key Priorities for the future

As the Group progresses in its journey towards SLFRS S1 & S2 adoption, the key priority will be to develop a structured risk management methodology systematically to identify, assess, and respond to sustainability and climate-related risks and opportunities applicable to AEL and its diverse sectors. In tandem, the Group also plans to establish clear targets and performance metrics to guide progress and drive accountability across all business units.

# BUSINESS PORTFOLIO



## CIVIL ENGINEERING

### Engineering Projects



Buildings Construction



Roads & Highways



Bridges & Flyovers



Ports & Marines



Water & Wastewater

### Engineering Services



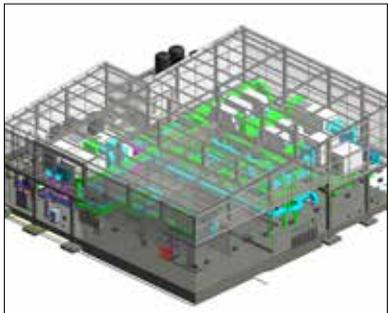
Piling



Telecommunication



Fabrication



Engineering Designs



Construction Equipment & Machinery - Hiring and Maintenance



MEP Services



## CONSTRUCTION MATERIALS PRODUCTION



Asphalt Production



Concrete Production



Quarry Operations



Crusher Operations



Autoclaved Aerated Concrete (AAC) Block Production



Manufactured Sand (M – Sand) Production



## MECHANICAL ENGINEERING



Commission of Port Machinery



Repair of Port Machinery



Maintenance of Port Machinery

# BUSINESS PORTFOLIO



## PROPERTY

### Commercial Offices



Commercial property for lease and rental

### Commercial Warehouses



Warehousing and logistics



## AUTOMOBILE



New Vehicle Sales



Sale of Spare Parts



Workshop Operations



Marine engine sales



## CONDOMINIUM PROPERTIES



Residential and commercial property



## RENEWABLE ENERGY



Solar panels yielding 15.8 MW of power



## RADIOPHARMACEUTICAL PRODUCTIONS



Radiopharmaceutical company producing FDGs

## SPREAD OF PROJECTS



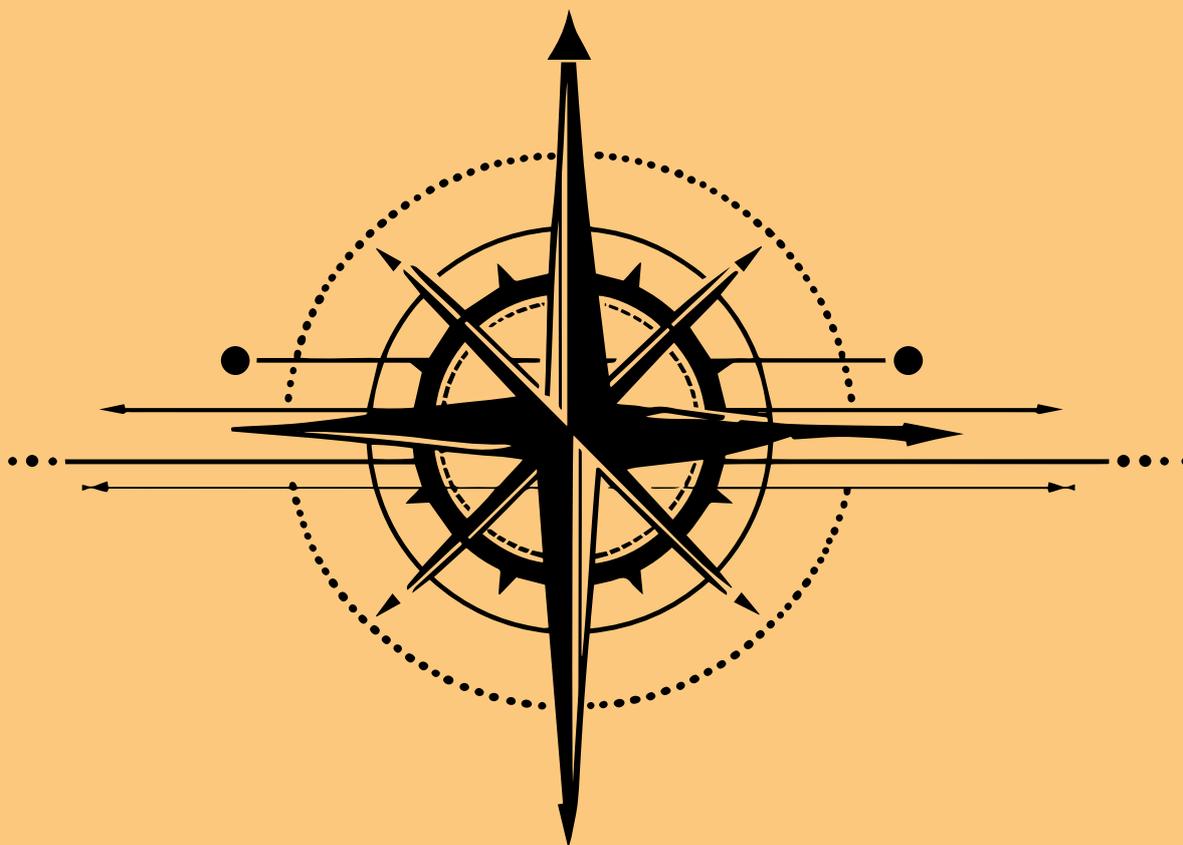
### SPREAD OF OPERATIONS IN SRI LANKA DURING 2024/25 (Excluding Production Plants)

District	Project Name
<b>AMPARA</b>	» Dialog Optical Fibre Network Development Project
<b>ANURADHAPURA</b>	» Dialog Optical Fibre Network Development Project
<b>BADULLA</b>	» Dialog Optical Fibre Network Development Project
<b>BATTICALOA</b>	» Dialog Optical Fibre Network Development Project
<b>COLOMBO</b>	<ul style="list-style-type: none"> <li>» Corporate Office – Colombo 2</li> <li>» Design Unit – Colombo 2</li> <li>» Central Equipment Division – Kaduwela</li> <li>» Scaffolding Unit – Ranala</li> <li>» Fabrication Unit – Ranala</li> <li>» Pilling unit - Kaduwela</li> <li>» Telecommunication Services Unit – Nugegoda</li> <li>» Construction of Colombo West International Terminal (CWIT) at the Port of Colombo</li> <li>» Construction of East Container Terminal (ECT) at the Port of Colombo</li> <li>» Design and Construction of 1,000 Housing Units at Stadiumgama</li> <li>» Design and Construction of Preschool and Cultural Center for Shinnyo – En Lanka at Kirimandala Mawatha, Colombo 05</li> <li>» Design and construction of Kohuwela flyover</li> </ul>

## SPREAD OF PROJECTS

District	Project Name
<b>GALLE</b>	» Piling Works of the Nakiyadiya Palm Oil Mill for Watawala Plantation PLC » Dialog Optical Fibre Network Development Project
<b>GAMPAHA</b>	» Piling Works (Identified Protective Scope) of the Expansion of Bandaranaike International Airport (Phase II – Stage II) » Widening and Improvement of the Colombo-Kandy Road Section from Nittambuwa to Pasyala » Pilling works and Remedying Defects in Proposed Showroom Building - Negombo » I – Roads project » Dialog Optical Fibre Network Development Project
<b>HAMBANTOTA</b>	» Dialog Optical Fibre Network Development Project
<b>JAFFNA</b>	» Dialog Optical Fibre Network Development Project
<b>KALUTARA</b>	» Dialog Optical Fibre Network Development Project
<b>KANDY</b>	» Design and construction of Getambe flyover » Dialog Optical Fibre Network Development Project
<b>KEGALLE</b>	» Dialog Optical Fibre Network Development Project
<b>KURUNEGALA</b>	» Central Expressway Project Section 3 (from Pothuhera to Galagedara) - Construction of Package 1M » Dialog Optical Fibre Network Development Project
<b>MATALE</b>	» Dialog Optical Fibre Network Development Project
<b>MATARA</b>	» Dialog Optical Fibre Network Development Project
<b>NUWARA ELIYA</b>	» Dialog Optical Fibre Network Development Project
<b>POLONNARUWA</b>	» Dialog Optical Fibre Network Development Project
<b>PUTTALAM</b>	» Dialog Optical Fibre Network Development Project
<b>RATNAPURA</b>	» Dialog Optical Fibre Network Development Project
<b>TRINCOMALLE</b>	» Dialog Optical Fibre Network Development Project
<b>VAVUNIYA</b>	» Dialog Optical Fibre Network Development Project

# MANAGEMENT DISCUSSION & ANALYSIS



## Navigating the Horizon

In an ever-shifting landscape, we at Access Engineering PLC, chart our course through continuous assessment, strategic agility, and data-driven insight. We remain focused on interpreting change, anticipating challenges, and steering confidently toward sustainable growth.

60 Operating Environment

### **BUSINESS SEGMENT REVIEW**

62	Civil Engineering
82	Construction Materials Production
87	Mechanical Engineering
91	Properties- Commercial Offices
95	Properties- Commercial Warehouses
101	Condominium Properties
104	Renewable energy
106	Automobile
110	Radiopharmaceutical
113	Way Forward

### **CAPITAL MANAGEMENT REVIEW**

114	Capital Overview
115	Financial Capital
123	Manufactured Capital
128	Intellectual Capital
134	Human Capital
147	Social and Relationship Capital
156	Natural Capital
166	Capital Trade-Offs

# OPERATING ENVIRONMENT

## GLOBAL ECONOMIC OVERVIEW

The global economy experienced a modest recovery in 2024 as economic activity remained uneven across regions. While the United States and parts of Asia showing relative strength, Europe and several developing economies continued to face structural and cyclical headwinds. Consequently, global GDP growth slowed to approximately 2.8%, reflecting the impact of lingering macroeconomic imbalances and heightened geopolitical risks.

Energy markets remained sensitive to geopolitical disruptions, including the protracted war in Ukraine and instability in the Middle East region, which kept global oil and gas prices elevated and volatile throughout the year, leading to inflationary pressures and complicating policy responses particularly in energy-importing developing economies. At the same time, global capital flows remained subdued, as tighter financial conditions and rising risk premiums deterred cross-border investment.

Another key concern was the new trade tariff structure proposed by the United States which contributed to renewed uncertainty in global trade and further fuelled a shift towards protectionism.

## GLOBAL OUTLOOK AND PROSPECTS FOR THE 2025 AND BEYOND

Looking ahead to 2025, the global economy is projected to experience modest improvement, with global GDP growth forecast at approximately 3.0%, underpinned by easing inflationary pressures, gradual recovery in private investment, and stronger consumption in advanced economies.

However, the medium-term global outlook remains highly uncertain and vulnerable to downside risks, including renewed financial market volatility, escalating trade disputes, political instability in key regions, and climate-related shocks. Structural weaknesses in many low- and middle-income countries also pose additional challenges to a sustained and inclusive recovery.

Meanwhile the long-term prospects for the global economy will depend heavily on countries' ability to address productivity stagnation, strengthen global trade frameworks, and navigate the green and digital transitions. Increased investment in infrastructure, innovation, and human capital development is deemed essential to lift potential growth rates. At the same time, multilateral cooperation will be critical in managing global risks from supply chain resilience to energy security and climate adaptation.

## OVERVIEW OF SRI LANKA'S ECONOMIC PERFORMANCE

Sri Lanka's economy rebounded strongly in 2024, recording a 5% real GDP expansion, denoting the fastest rate in seven years. Notably, growth during the first three quarters averaged an impressive 5.2%, surpassing earlier forecasts driven by robust activity in industry and services, supported by a resurgence in tourism and improved energy availability.

## INFLATION

Inflation, after hitting an all-time high during the 2022 economic crisis, moved into deflation averaging around -1.7% in December 2024 on the back of easing energy costs, a stronger rupee, and improved supply chain dynamics. However normalisation was evident by March 2025 when inflation reached the Central Bank's target level of around 5%, driven by a gradual recovery in domestic demand, stabilisation of global commodity prices, and base effects dissipating from the previous year's contractionary environment.

## INTEREST RATES

The Central Bank maintained an accommodative monetary stance throughout 2024. Policy rates were progressively lowered, culminating in the introduction of a single Overnight Policy Rate of 8% by year-end, marking a notable shift from the dual-rate model of prior years.

Easing of interest rates helped spur credit growth among both households and businesses, in turn triggering a surge in private sector borrowing and

reinvigorating investment activity, particularly in the construction, manufacturing, and services sectors. The lower interest rate environment also played a key role in boosting consumer confidence and stimulating aggregate demand, contributing to the broader economic recovery.

## EXCHANGE RATE

The Sri Lankan rupee appreciated by roughly 10.7% against the US dollar in 2024, in contrast to the depreciation trend observed in previous years. This appreciation was largely driven by improved macroeconomic fundamentals, a sharp reduction in import demand, increased worker remittances, and stronger investor confidence following successful progress on the external debt restructuring exercise and the achievement of IMF programme benchmarks. The stronger LKR also helped ease the cost of essential imports, stabilise domestic prices, and bolster foreign exchange reserves, although it also posed competitiveness challenges for export-oriented sectors.

## OUTLOOK AND PROSPECTS FOR THE SRI LANKAN ECONOMY FOR 2025 AND BEYOND

Building on its strong rebound in 2024, the Sri Lankan economy is expected to maintain a consistent growth trajectory with GDP projected to expand steadily supported by the ongoing implementation of fiscal and debt restructuring measures, macroeconomic stability and the accommodative monetary policy stance of the CBSL. Continued recovery in tourism, a revival in the construction sector, and public investment in infrastructure are projected to be key growth drivers, going forward. However, external risks such as geopolitical tensions and global trade disruptions, including the escalation of tariffs by major economies, could pose downside risks to export performance and foreign investment.

The Country's medium-term outlook depends heavily on the consistent execution of structural reforms. Should Sri Lanka maintain its commitment to

the IMF-backed reform programme, growth is expected to accelerate further while inflation is projected to stabilise around the Central Bank's 5% target, which will support real household incomes, investment confidence, and financial sector stability.

Looking further ahead, Sri Lanka's long-term economic prospects will be shaped by its ability to diversify the export base, attract sustainable foreign direct investment, and build climate-resilient infrastructure. Enhancing productivity through investment in renewable energy, digital transformation, and logistics will be key to maintaining competitiveness. Improvements in governance, regulatory consistency, and fiscal responsibility will further solidify private-sector confidence and investor interest. Despite the positives, downside risks remain prevalent particularly with regard to political transitions, climate-related risks, and uncertainties in the global trade environment. Against this backdrop, strategic policy action will be vital to safeguarding stability and realising Sri Lanka's long-term development potential.

## **CONSTRUCTION INDUSTRY TRENDS - 2024**

### **Global Construction Industry**

In 2024, the global construction industry experienced modest but steady growth, primarily driven by public infrastructure and energy sector investments.

Infrastructure remained the key driver of growth, benefiting from strong government spending, particularly in transportation, water management, and energy transition projects. On the other hand, residential construction faced headwinds due to high interest rates, tightening lending conditions, and affordability challenges. Regional variations were notable, with stronger growth recorded in parts of Asia and the Middle East, while some European markets experienced a decline in overall construction output.

Cost pressure were a major concern across the industry. While inflation showed signs of stabilisation compared to previous years, the cost of construction inputs such as materials and skilled labour remained elevated. The industry continued to grapple with labour shortages and lingering supply chain disruptions, which limited productivity and contributed to delivery delays. In response, many firms increasingly turned to technology solutions, including digital design tools, automation, and integrated project management platforms, to enhance operational efficiency and reduce dependency on manual labour.

### **OUTLOOK AND PROSPECTS FOR THE GLOBAL CONSTRUCTION INDUSTRY IN 2025 AND BEYOND**

Global construction activity is set to rebound modestly in 2025, with growth expected to accelerate with countries worldwide resume investment in public infrastructure over the coming years, following COVID-19 related stoppages. At the same time, residential and commercial segments are expected to face headwinds from high interest rates and cautious lending, gains in civil engineering and non-residential builds provide a strong offset, balancing the industry's overall performance.

Despite the positive trajectory, labour shortages are likely to be a persistent concern for the global construction industry in the coming years.

### **LOCAL CONSTRUCTION INDUSTRY**

Sri Lanka's construction sector rebounded strongly in 2024, driven by renewed access to project financing and the resumption of public-sector payments for previously stalled infrastructure projects. High-frequency indicators supported this recovery, with electricity sales to industrial users often associated with construction-related manufacturing rising steadily. Additionally, both the manufacturing and construction Purchasing Managers' Indices (PMIs) moved above the neutral 50 mark early in the year, signalling sustained expansion across core activities.

However, despite this positive momentum, the industry continued to be affected by a shortage of skilled labour, which has remained an ongoing concern for several years. With trained workers continuing to leave for better opportunities abroad, local contractors are faced with limited capacity to execute complex or large-scale projects efficiently.

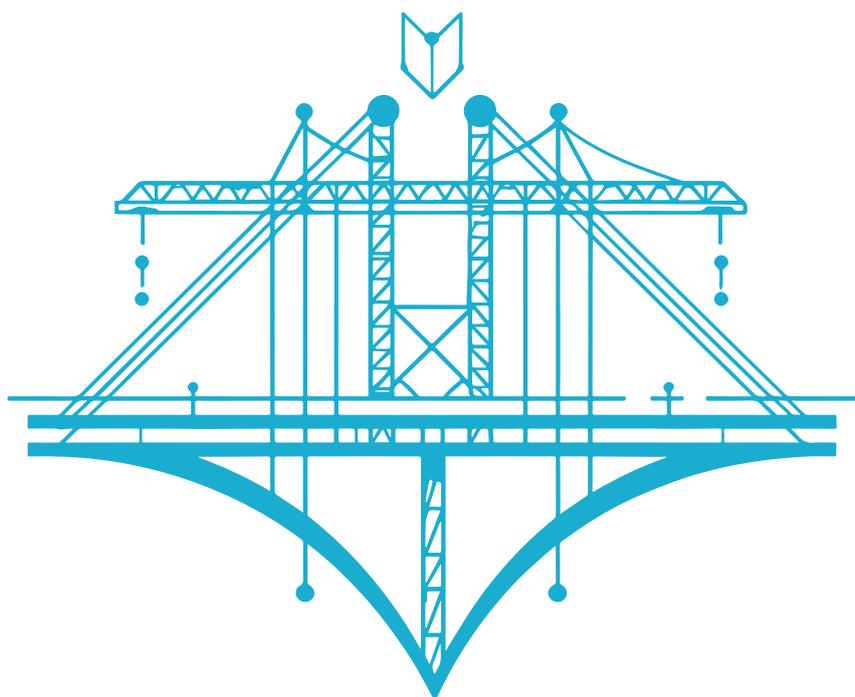
Climate-related disruptions also posed challenges in 2024. Heavy rains and seasonal flooding, particularly during the mid-year monsoon period, led to temporary site closures and heightened risks to both infrastructure and worker safety. In addition, election-related uncertainties in the second half of the year prompted a cautious approach to new investments and contributed to a slight moderation in construction activity during the final quarter.

### **OUTLOOK AND PROSPECTS FOR SRI LANKA'S CONSTRUCTION INDUSTRY IN 2025 AND BEYOND**

Following a robust recovery in 2024, early-2025 data indicate the growth momentum in the local construction sector is on course to grow further in the coming months. Declining interest rates, lower construction material costs, higher household savings, and increased public investment are all likely to inject fresh vitality into the industry in the latter part of 2025.

Beyond 2025, growth is expected to accelerate further, spurred by sustained fixed-capital formation and public-private investments in transport, energy, hospitality, and residential projects especially urban regeneration programmes, and affordable housing initiatives.

# CIVIL ENGINEERING



At the heart of our legacy, civil engineering remains central to who we are. Through our key operation entities – Access Engineering PLC, Access Projects (Private) Limited, and Access CHEC JV (Private) Limited – we lead the way in delivering large-scale construction projects across Sri Lanka.

From iconic buildings and transport networks to port, bridges, flyovers and telecommunication infrastructure, we engineer future-ready solutions that uplift communities and drive national development. Our projects span vital sectors and are backed by diverse funding sources, including multilateral, bilateral, foreign, private and Government of Sri Lanka (GOSL) investments.

Contribution to  
Group Revenue

**58.32%**

Share of Group Assets

**18.25%**

Share of Group Liabilities

**41.53%**

## SEGMENT OVERVIEW

The Civil Engineering segment is the cornerstone of Access Engineering PLC, driving the design and delivery of complex infrastructure projects that shape Sri Lanka's built environment. From highways and bridges to urban development and water management systems, this segment combines technical expertise with innovative solutions to deliver projects that meet the highest standards of quality and safety. Its work not only contributes significantly to the Group's revenue but also reinforces our reputation as a leader in sustainable and resilient infrastructure development. Through this segment, we continue to build the future, one landmark project at a time.

## CORE COMPETENCIES

### ENGINEERING PROJECTS

- » Buildings Construction
- » Roads & Highways
- » Bridges & Flyovers
- » Ports & Marines
- » Water & Wastewater

### ENGINEERING SERVICES

- » Piling
- » Telecommunication
- » Fabrication
- » Engineering Designs
- » Construction Equipment & Machinery - Hiring and Maintenance
- » MEP Services

## ENGINEERING PROJECTS

### BUILDING CONSTRUCTION

#### DESIGN AND CONSTRUCTION OF 1000 HOUSING UNITS AT STADIUMGAMA

The Stadiumgama housing project forms a cornerstone of Access Engineering PLC's contribution to urban low-income housing development in Colombo 14. The scope of work includes the design and construction of 1,000 residential units, arranged across four fourteen-storey buildings, with each block accommodating 250 apartments averaging 500 square feet in size. Each unit features two bedrooms, an open-plan living and dining area, a fully fitted kitchen, a bathroom, and a private balcony – offering essential living amenities tailored to underserved communities.

Beyond residential delivery, the project adopts an integrated community-centric approach. The ground level of each block hosts essential shared amenities including a nursery, a supermarket, and nineteen retail outlets, alongside forty-six parking bays per block. The wider development is supported by comprehensive infrastructure works, covering ground-floor parking, electrical and water supply networks, fire-protection systems, elevators, emergency staircases, wastewater and sewerage connections, stormwater drainage, as well as internal access roads and landscaped communal areas.



# CIVIL ENGINEERING

## KEY HIGHLIGHTS FOR FY 2024/25

During FY 2024/25, all structural works, services installations, and finishing activities were completed in line with the approved construction schedule. With all four residential blocks reaching completion, the project progressed smoothly into the testing and commissioning phase. A key delivery milestone was achieved with the partial handover to the Urban Development Authority (UDA) on 28 February 2025 — marking a major step forward in the project’s fulfilment.

Access Engineering’s site management and client liaison teams coordinated the final inspection process and completion documentation prior to the defect liability period, maintaining strict adherence to quality assurance protocols throughout this critical handover stage.

During the reporting period, the project team also responded to a variation notification regarding revised sewer and waste-disposal arrangements. Working in close collaboration with the UDA’s engineering division, the team successfully executed the necessary design adjustments without impacting the project timeline — ensuring the handover schedule remained intact.

## SHINNYO-EN LANKA PRESCHOOL AND CULTURAL CENTER AT KIRIMANDALA MAWATHA

The Shinnyo-En Lanka Preschool and Cultural Center, located at Kirimandala Mawatha in Colombo, is a purpose-built, 42,000 square foot sustainable complex that integrates educational and cultural functions within a thoughtfully designed environment. The project comprises two primary structures, a preschool and a cultural centre, along with several ancillary buildings, including a dormitory, guard house, transformer room, and generator room, all arranged around landscaped courtyards and supported by dedicated surface parking areas.



## KEY HIGHLIGHTS FOR FY 2024/25

Despite facing logistical and scheduling challenges during the year, the project progressed steadily. One of the more time-sensitive components, the wastewater treatment system was successfully expedited through the use of modular valve chambers, which significantly reduced on-site assembly time.

In parallel, procurement delays related to fire and UV-resistant insulation boards were effectively mitigated. AEL’s procurement team engaged directly with multiple vendors to secure alternative approved formulations, ensuring that installation timelines remained unaffected.

Regular coordination workshops with Shinnyo-En Lanka stakeholders played a critical role in aligning evolving design requirements with educational and cultural functions. These engagements ensured that all layout revisions, interior finishes, and material selections were tailored to the project’s intended end-users and institutional goals.

On the technical front, high-precision construction practices were adopted to ensure quality and durability. Laser-aligned mesh-reinforced plastering was used to minimise finishing defects and eliminate manual alignment inconsistencies. Seismic movement gaps of 10 mm were installed around windows and doors, sealed with millimetre-level accuracy to prevent water ingress. The structural integrity of the FRP façade was confirmed through non-destructive testing, and third-party validation was used to certify the performance of the rainwater harvesting and wastewater treatment systems.

With structural, MEP, and architectural works completed in accordance with the project schedule, the final handover was executed without any significant outstanding defects, marking a successful closeout to a complex and detail-intensive project.

### ELLIOT PLACE HOUSING PROJECT

The Elliot Place Housing Project is a semi-luxury residential development located in Colombo 03, comprising two 30-storey towers (B+G+28) with a total of 400 residential units. Apartments are offered in both two- and three-bedroom configurations, each featuring an open-plan living and dining area, fully fitted kitchen, attached bathroom, common WC, utility room, and private balcony.

Beyond residential amenities, the broader development integrates a range of support and lifestyle facilities, including multi-level parking structures, EV charging stations, car-wash bays, and staff quarters. Residents also benefit from a community hall, gymnasium, children’s play area, swimming pool, supermarket, retail outlets, and laundry facilities – creating a self-contained, convenience-driven living environment.

The two towers are structured such that parking and shared facilities occupy the basement, ground, and first two floors, while residential units begin from the third floor upwards.



#### KEY HIGHLIGHTS FOR FY 2024/25

The Elliot Place project experienced a temporary suspension in mid-2022 due to the national economic crisis. However, following Cabinet approval of a contract amendment, construction formally recommenced on 15 January 2025.

In the wake of recommencement, the project team acted swiftly to mitigate disruptions, particularly those related to concrete supply chain delays. By securing alternative batching plant sources and partnering with local fabricators for the rapid production of formwork components, construction momentum was quickly restored.

A key technical milestone during the reporting period was the full-scale simulation of the critical transfer-slab design for Tower 02. The successful single pour of 1,276 m<sup>3</sup> for the 1,200 mm-thick slab not only validated the formwork system but also confirmed the integrity of concrete placement procedures, with minimal rework required – a strong testament to quality control in execution.

Meanwhile, daily coordination meetings with client and consultant engineers enabled real-time resolution of technical queries, ensuring that both the reinstatement of underground services and finishing works proceeded in strict alignment with the project’s design specifications.

# CIVIL ENGINEERING

## MARINA SQUARE UPTOWN COLOMBO MIX DEVELOPMENT PROJECT

Marina Square – Uptown Colombo is Sri Lanka’s largest single-phase harbour-front mixed-use development, covering a built-up area of 2.1 million square feet. The project features 1,088 residential condominium units across five towers, including two prominent waterfront high-rises, and integrates over 150,000 square feet of commercial space, all thoughtfully configured around landscaped podiums, public promenades, and amenity-rich common areas.

Spread across a 5-acre site within Colombo city limits, Marina Square represents one of the most ambitious and high-profile urban development projects in the country, setting new benchmarks in scale, lifestyle integration, and harbour-front living.



### KEY HIGHLIGHTS FOR FY 2024/25

The project navigated a number of operational challenges during the year. A change in local authority leadership, following a broader government transition, led to temporary delays in securing key clearance approvals. In response, AEL’s project leadership engaged proactively through a series of continuous liaison sessions and targeted briefings, aimed at reintroducing the new officials to the project’s established compliance frameworks. These efforts restored momentum within a matter of weeks, keeping overall timelines on track.

In parallel, the project was impacted by rapid global inflation in material prices and the tightening of supplier credit terms, both of which placed pressure on project cash flows. To manage these headwinds, the team adopted a disciplined approach to material stock monitoring, reorder planning, and on-site resource allocation, ensuring minimal disruption while safeguarding overall budget parameters.

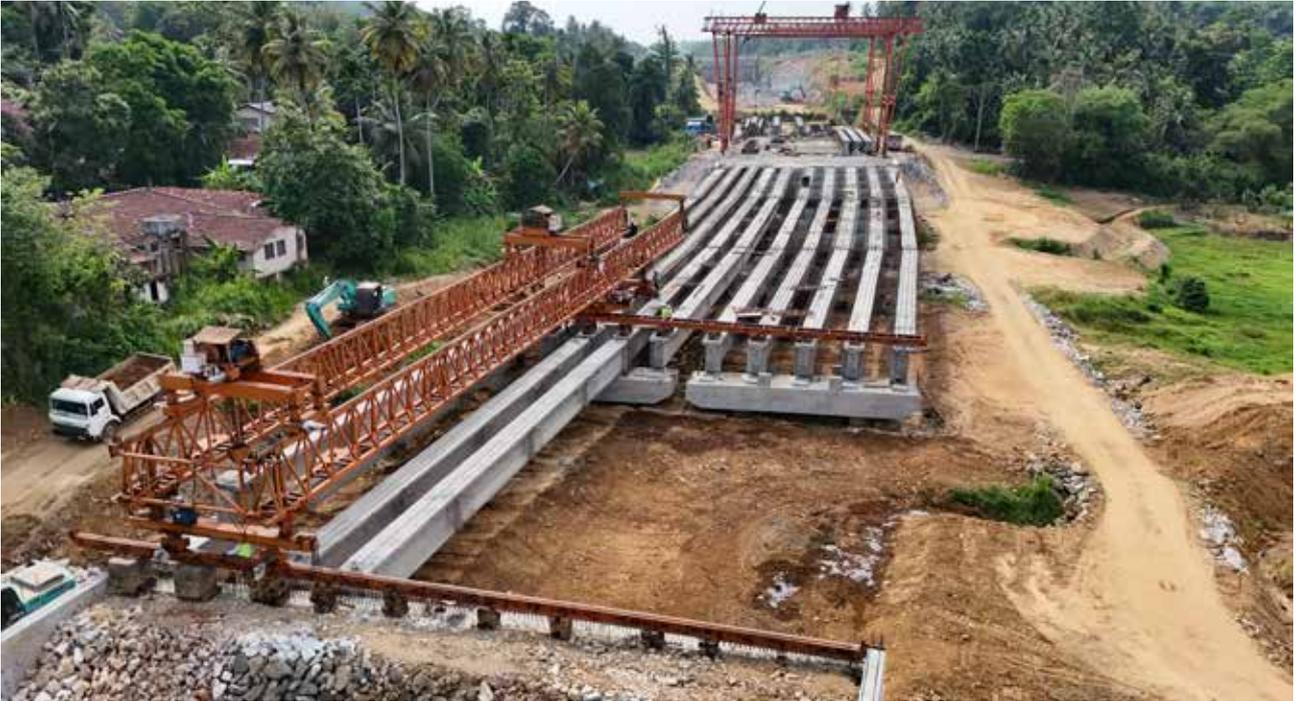
The industry-wide shortage of skilled construction professionals, exacerbated by labour migration, posed a further risk to progress on finishing works. To address this, AEL reallocated experienced tradespeople from recently completed sites and appointed internal team leads for ground-level supervision, enabling accelerated execution without compromising quality or timelines.

As a result of these mitigation strategies, the project achieved key construction milestones. All structural and civil works were completed as scheduled, including the sealing of tower cores against monsoonal water ingress and the preparation of podium slabs for downstream trades. Notably, Tower 5’s structure was completed ahead of programme, enabling the early mobilisation of MEP, architectural, and plumbing contractors, and ensuring the smooth transition into the final construction phase.

## ROADS AND HIGHWAYS

### CENTRAL EXPRESSWAY PROJECT SECTION 3

Section 3 of the Central Expressway is a critical segment in Sri Lanka's national expressway network, comprising a 24.5 km four-lane highway connecting Pothuhera and Galagedara. Positioned along a mountainous corridor, this section plays a strategic role in enhancing regional connectivity and reducing travel time between the central and western provinces.



#### KEY HIGHLIGHTS FOR FY 2024/25

Progress during the year was marked by the completion of superstructure erection across all four viaduct spans, alongside the on-schedule laying of overpass deck segments. Despite significant geological challenges and the scale of rock-blasting required along the alignment, the team successfully completed 93% of planned blasting activities by end-March 2025, paving the way for uninterrupted embankment formation and pavement layering.

To uphold design integrity and construction precision, the project introduced advanced technical controls, including laser-survey validation of pile alignments and non-destructive testing of concrete strength in viaduct piers and deck slabs. Subgrade and pavement works commenced in March 2025, maintaining alignment with the overall project schedule.

# CIVIL ENGINEERING

## NITTAMBUWA – PASYALA ROAD PROJECT

The Nittambuwa–Pasyala Road Project is a key infrastructure initiative aimed at widening the Colombo–Kandy main road between these two urban centres from a two-lane road to a four-lane carriageway, addressing growing traffic volumes and improving commuter safety and efficiency.



### KEY HIGHLIGHTS FOR FY 2024/25

All earthworks and subgrade construction were completed in line with the project plan. As part of this phase, the team undertook the installation of upgraded cross-drainage systems and culverts, implemented in full compliance with design profiles. These improvements have significantly reduced the risk of water-logging and erosion, especially during periods of heavy monsoon rainfall.

Paving works progressed as scheduled, with the ABC overlay and final asphalt surfacing at the Pasyala junction carried out with the support of well-managed traffic diversions, ensuring minimal inconvenience to road users. In parallel, close coordination with municipal authorities and utility service providers enabled the smooth execution of service relocations, with no disruptions to essential utilities throughout the construction process.

## IROADS PROJECT

The iRoads project is an ADB-funded Second Integrated Road Investment Programme to rehabilitate and maintain rural road networks in Gampaha District. The project was divided into three separate packages, covering a combined total of approximately 210 km: Package 2 (79.93 km), Package 3 (59.36 km) and Package 4 (71 km).

Each package comprised detailed engineering design, earthworks (including excavation, embankment formation, sub-base and shoulder construction), construction of cross-drainage structures (culverts, drains and retaining walls), paving works (aggregate base course laying and asphalt overlay), turfing of embankment slopes, installation of road markings and signage, and a three-year performance-based maintenance commitment.



### KEY HIGHLIGHTS FOR FY 2024/25

During the year, critical construction milestones across Packages GA 02, GA 03, and GA 04 were reached, enabling the formal handover of rehabilitated roads to the Road Development Authority (RDA). All segments met the necessary performance benchmarks, including criteria related to ride quality and structural integrity.

Looking ahead, Access Engineering will continue to fulfil its obligations under the three-year maintenance agreement, which includes routine inspections, preventive repairs, and patrol-based monitoring to ensure long-term service quality across the rehabilitated rural network.

## BRIDGES AND FLYOVERS

### FLYOVER CONNECTING BALADAKSHA MAWATHA AND CHITTAMPALAM GARDINER MAWATHA

The Baladaksha Mawatha Flyover is a strategically located, two-part structure in Colombo's Slave Island area, designed to ease chronic congestion caused by frequent level-crossing closures on the coastal railway line. Once complete, the flyover will provide grade separation over the railway and seamless vehicular passage across Beira Lake.



#### KEY HIGHLIGHTS FOR FY 2024/25

While the initial project plan called for the importation of prefabricated steel sections from Betonútépítő PLC in Hungary, unforeseen supply chain disruptions in the current year prompted AEL to leverage in-house fabrication capabilities to manufacture over 900 tonnes

of steel locally. This strategic pivot enabled the completion of a majority of accessible works, including steel-superstructure erection up to Span 4, and opened the junction improvements at Baladaksha Mawatha to motor traffic. Semi-robotic welding and CNC-drilled connections were deployed to ensure precision and meet stringent inspection criteria on first pass.

# CIVIL ENGINEERING

## KOHUWALA FLYOVER PROJECT

The Kohuwala Flyover is a 297-meter-long, two-lane elevated structure constructed above the Colombo–Horana (B84) Road. The flyover addresses persistent traffic bottlenecks at the Kohuwala junction, one of Colombo’s most congested intersections.



### KEY HIGHLIGHTS FOR FY 2024/25

Following a temporary suspension during Sri Lanka’s national economic crisis, construction resumed in early FY 2024/25 after AEL secured internal financing. Within just three months of recommencement, the flyover bridge was completed to motorable level, enabling the early opening of the flyover to public traffic.

Originally planned temporary support towers — intended for import — were replaced with locally fabricated Bailey-bridge-section towers, using AEL’s own steel and concrete resources. This adaptation reflected the company’s agility

in navigating supply constraints while upholding structural safety and quality.

Throughout the project, complex traffic-management strategies were implemented, including phased diversions to maintain continuous vehicular and pedestrian access. Close coordination with municipal authorities ensured minimal disruption to the local community. Dedicated safety officers monitored all elevated works and perimeter activity, while protective scaffolding was installed along vulnerable boundary sections to safeguard adjacent residential areas.

## GATAMBE FLYOVER PROJECT

The Gatambe Flyover, located at the Gatambe junction in Kandy, is designed to connect two major arterial roads — the Old Peradeniya–Kandy Road (A1) and the New Peradeniya–Kandy Road (AB42, William Gopallawa Mawatha). The two-part structure comprises a 429-meter main flyover with a two-lane carriageway, offering minimum clearances of 6.5 meters over the railway and 5.2 meters over the roadway, and a 245-meter branch flyover that links the AB42 corridor to the A1 heading toward Peradeniya.



### KEY HIGHLIGHTS FOR FY 2024/25

No works were carried out during FY 2024/25, as the project remained on hold due to funding constraints linked to Sri Lanka’s ongoing bilateral debt-restructuring process. Despite this suspension, AEL’s design team finalised all detailed drawings and staged procurement to ensure that, once funding is resumed, fabrication and site activities could recommence immediately without delay.

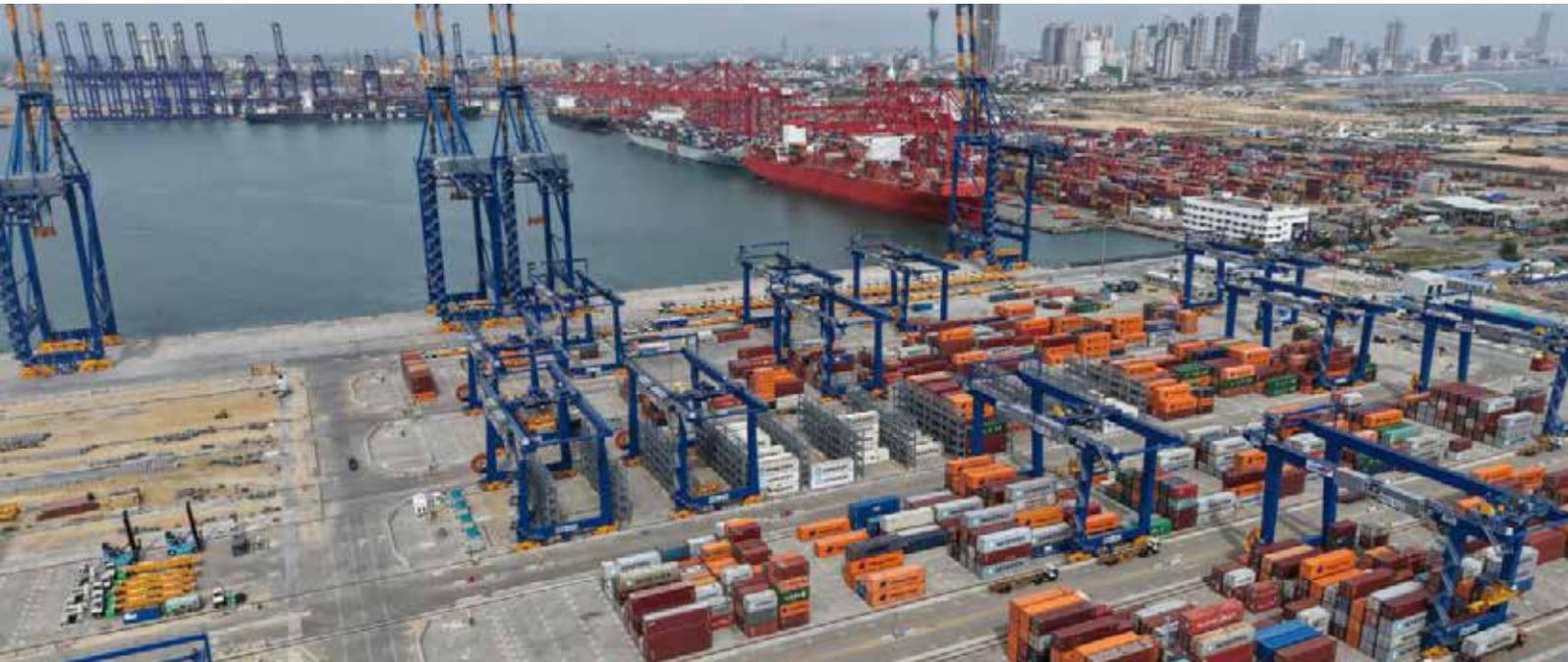
## PORTS & MARINE

### WEST CONTAINER TERMINAL PROJECT

The West International Terminal (CWIT) is a strategically significant infrastructure development at the Port of Colombo, occupying an 86-acre site under a 35-year Build-Operate-Transfer (BOT) agreement involving Adani Ports and SEZ Ltd., the Sri Lanka Ports Authority, and John Keells Holdings PLC. Once operational, CWIT will further strengthen Sri Lanka's position as a regional maritime and logistics hub.

#### Construction was executed in two principal packages.

- » Package 01 involved excavation, sand filling, sub-base and cement-macadam layering, manufacture and laying of interlocking block pavements with cable and conduit pits, installation of stormwater drains and potable and sewage systems, construction of gantry-rail foundations, boundary walls, perimeter fencing and a four-lane access carriageway from the CICT roundabout to the terminal entrance including the fire protection system of the terminal and the rail fixing for RMC.
- » Package 02 covered the substructures, superstructures and finishes for twenty-nine steel-framed support buildings, including offices, maintenance workshops, guardhouses and gate complexes, complete with electrical, HVAC, firefighting and architectural fit-outs.





## KEY HIGHLIGHTS FOR FY 2024/25

A key achievement during the year was the commissioning of on-site Wet Mix Macadam (WMM) and Pugmill plants, allowing for the continuous production of specification-grade sub-base aggregates. This proactive move significantly reduced reliance on external suppliers, generated notable cost savings, and enabled AEL to maintain the overall project programme – despite the complexity of coordinating multiple trades within a live port environment.

The site management team enforced rigorous quality-control protocols, including in-line material testing and daily

inspection routines, to ensure strict compliance with CWIT's operational and safety requirements. Continued coordination with terminal operators and consultant engineers allowed for the timely resolution of design clarifications and minimised any potential disruptions to container-stacking and terminal logistics.

Final testing of pavement structures and terminal management ICT systems is scheduled for Q2 2025, positioning CWIT for full-scale operational readiness upon completion of all contracted works.



Telecommunication Projects Division (TPD) of AEL is actively engaged in key telecom infrastructure projects with a strong focus on Optical Fiber Network (OFN) expansion, FTTx development and overall network capacity enhancement. Ongoing initiatives include Dialog's enterprise and mobile site connectivity, encompassing aerial cabling, Micro cable blowing, in-building fiber optic installations (IBS) and major associated civil works.

In response to concerns raised by road authorities regarding road surface damage during fiber laying activities, TPD has implemented the trenchless Horizontal Directional Drilling (HDD) method, capable of drilling diameters up to 1 meter. This technique has been successfully used over the years to install fiber optic cables, water pipelines, sewer lines and other utility infrastructure across congested and newly paved roads, where open cut trenching is restricted. HDD ensures minimal or no damage to road surfaces and significantly reduces disruption to road users.



Furthermore, for shallow depth installations on asphalt and concrete road surfaces, TPD has implemented the micro trenching method. This technique enables narrow, precise cuts that reduce surface damage and lower the risk of interfering with existing underground utilities particularly important in densely populated urban areas.

## PILING

In the financial year 2024/25, the Piling Engineering Division played a pivotal role in executing specialized foundation works under complex and tightly regulated conditions. The most significant opportunity during the year emerged with the award of a structured piling project as part of the ongoing expansion works at Bandaranaike International Airport (BIA). With its extensive experience in airport infrastructure, Access Engineering was positioned as a key contributor, partnering with two competing contractors—an uncommon collaboration that reflected our standing in the industry and commitment to national development priorities.

The BIA project posed unique operational challenges due to the highly regulated and secure nature of the site. Working within an operational international airport demanded strict compliance with the Airport and Aviation Services (Sri Lanka) Limited (AASL) protocols. The team ensured adherence to all safety and operational constraints while driving the project forward with minimal disruption to airport activities.

As a strategic measure to optimize resource deployment, the team was also allocated to the substructure construction works at BIA, which were awarded under two separate tenders: one covering protective works and the other encompassing the identified scope of works. This proactive reallocation allowed the division to maximize resource utilization and ensure continued engagement in the critical national infrastructure project.

A key operational hurdle stemmed from workforce composition—approximately 70% of the required personnel were hired on a project basis. This required rapid onboarding, technical alignment, and continuous motivation to deliver results under pressing deadlines. In response, the division adopted targeted training and supervision practices to instill Access Engineering's quality

culture, allowing newly hired staff to integrate seamlessly into the project framework.

The division also faced broader sectoral challenges, particularly the scarcity of financially viable projects in a capital-constrained market. Last financial year saw a distressed market for piling works due to fewer available opportunities. Consequently, only selective piling works were undertaken during the year, including the remaining piles at BIA, piling works for Damro's proposed showroom in Negombo, and a transmission line project executed for Ceylex Engineering.

With a clear focus on project selectivity, the team exercised prudence in its bidding strategy—opting to pursue opportunities that ensured sustainable cash flow while avoiding overexposure to high-risk ventures. This approach, while safeguarding financial discipline, also created idle periods for machinery and equipment. To address this, the division implemented preventive maintenance protocols aimed at preserving asset quality during downtime.

Notably, during the year, the division also completed the remaining piles of the BIA Phase 2 Stage 2 project. This was part of a subcontracted scope originally offered to Taisei Corporation, which had been terminated due to the financial crisis in Sri Lanka. Access Engineering's intervention ensured successful delivery of the abandoned piling scope, thereby contributing to the

continuity of this nationally important infrastructure development.

Despite market challenges, the team maintained strict quality assurance processes at the BIA site, aligning closely with project specifications. Frequent testing of ready-mix concrete, reinforcement, and soil were carried out, and comprehensive quality governance frameworks were applied throughout the project lifecycle. Environmental testing and monitoring were also conducted in line with contractually mandated timelines. Project-specific QA/QC insights were documented and tracked via detailed monthly reporting mechanisms, ensuring full transparency and traceability.

Customer engagement remained central to project delivery. Weekly progress meetings facilitated feedback loops and supported responsive project execution. By maintaining close collaboration with stakeholders and upholding contractual commitments, the division ensured alignment with client expectations despite demanding site conditions and labor market pressures in Colombo.

Looking ahead, the Piling Engineering Division aims to further streamline operational overheads while selectively expanding into new opportunities that meet our profitability and strategic alignment criteria. Plans are also underway to explore diversified ventures that can complement the division's existing core capabilities.



## ENGINEERING DESIGN

Access Engineering's Engineering Design Unit made significant progress during the year, delivering architectural, structural, and MEP consultation services across several high-profile projects within the Group. The unit's role extended well beyond conventional design, emphasising innovation, research-driven problem-solving, and value engineering solutions that address the evolving challenges of infrastructure development.

A highlight of the year was the development of the Smart Drain system—an advanced, AI-powered urban drainage innovation designed to address flood risks in densely built environments. This cutting-edge solution was the result of a strategic collaboration between the unit's R&D initiative Idea Nest and Dr. Nadeesha Chandrasena, a renowned environmental specialist and urban innovator based in Australia. By dynamically responding to rainfall and

urban runoff patterns, Smart Drain offers a scalable, intelligent drainage system for flood-prone urban areas, marking a major step forward in climate-resilient infrastructure design in Sri Lanka.

The unit also integrated advanced geospatial technologies and value engineering techniques into its projects to enhance precision, efficiency, and cost-effectiveness. For instance, on the Central Expressway Project – Section 3 Package 1M (from Pothuhera to Galagedara), LiDAR (Light Detection and Ranging) technology was employed to conduct a comprehensive survey of rock-cut surfaces and the topsoil layer extending up to the Right of Way (ROW). This approach generated high-resolution 3D terrain models, enabling the accurate identification of surface cracks and rock mass discontinuities. The spatial data informed geotechnical risk assessments and facilitated the development of targeted stabilisation

measures. Furthermore, the LiDAR-derived datasets enabled the creation of precise contour maps and cross-sectional profiles, significantly improving the design and alignment of cut-off drains.

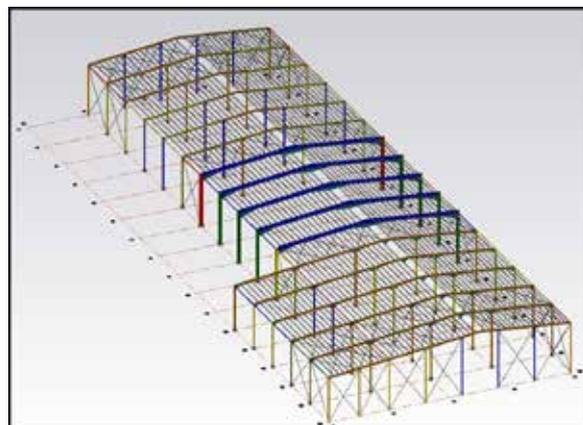
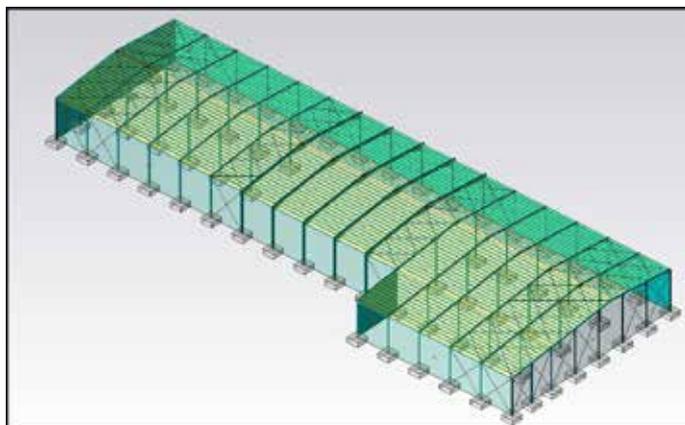
In another instance of value engineering, the unit challenged a proposal initially made by the Road Development Authority (RDA) to install perforated pipes beneath side drains to manage subsurface water. Following detailed analysis, the team proposed an alternative design that allowed direct drainage through the side drain walls, eliminating the need for extra excavation and the installation of perforated pipes. This not only streamlined construction but also reduced lifecycle maintenance costs by avoiding the use of components prone to clogging and frequent servicing—demonstrating a proactive approach to long-term infrastructure resilience and operational efficiency.



# CIVIL ENGINEERING

## Several other notable projects undertaken during the financial year 2024/25 included:

Project Name	Description of work carried out	Type	Status as of 31stMarch2025
Proposed Shinnyo En Lanka Nursery school and cultural center building at Kirimandala Mawatha, Narahenpita.	Structural design and architectural design of two storey nursery and cultural center building on pile foundation.	Building	Completed
Central Expressway Project- Section 3 Package 1M (From Pothuhera to Galagedara)	Structural design of Via duct VD10-1 and overpass OP10-1, drainage and culverts	Expressway	Ongoing
Marina Square Proposed Mixed Development. 250 Srimath Ramanathan Mawatha Colombo 15	Structural and Civil Design Review Consultation of five towers of 30+ storey residential building including 1000 Nos apartment units with a podium up to five floors, a transfer floor at 6th floor level and a one level of Basement for commercial and car park usage.	Building	Ongoing
Design, Construction & financing of balance work for the Housing Project at Elliot place, Borella.	Design of 28 story two towers with 400 Luxury Apartments units, including pile foundation, basement ,sump, swimming pool, rainwater harvesting tank, overhead water tank and superstructure. A transfer plate at 5th level and shear wall structure above and parking levels frame structure below.	Building	Tower 1 has been completed up to the 29th level, while the podium levels of Tower 2 are completed, and the Tower 2 transfer floor is to be constructed



## FABRICATION

The fabrication workshop continued to deliver a comprehensive suite of services, supporting project execution across multiple sites. These services included the fabrication and erection of structural components such as tanks, reefer structures, silos, roof structures, hand railings, and structural steel elements. In line with the evolving needs of ongoing projects, the workshop also expanded its capabilities during the year, introducing the supply and installation of complete fire protection and detection systems.

Several key projects exemplified the division's expanded capabilities and commitment to quality. At the Colombo West Container Terminal Backup Yard & Building Construction Project, the team successfully carried out the fabrication and installation of more than 1,500 metric tons of steel structures, including in-house grit blasting and painting work. The same project site also saw the installation of a comprehensive fire protection system, featuring a sprinkler system for the

building package and a hydrant system for the entire container yard, covering installation, testing, and commissioning. Both the hydrant and the sprinkler systems, including the associated pumps and the water supply along with the pump house configurations, were completed by the fabrication team. Similarly, at the Marina Square Mixed Development Construction Project, the division installed fire protection systems across five residential towers—comprising sprinkler and hydrant networks along with associated pump systems—completing installation, testing, and commissioning activities to the highest standards.

Despite a number of operational hurdles, the division successfully carried out several complex fabrication assignments. One of the key challenges stemmed from logistical constraints tied to the transport of duty-free materials imported under BOI (Board of Investment) concessions. The original location of the fabrication yard, outside the BOI-approved zone,

presented significant regulatory and administrative obstacles—causing procedural delays and posing risks to project timelines.

In response, the workshop's leadership implemented a strategic solution by registering the fabrication yard as a BOI-approved facility. This proactive measure not only ensured full compliance with BOI and customs regulations but also streamlined the movement of materials, substantially mitigating delays and enhancing operational efficiency.

Meanwhile, supplier-side delays further threatened to disrupt tightly scheduled timelines. To counter this, the team explored alternative sourcing strategies while simultaneously recalibrating internal planning efforts to prioritise critical-path activities. To safeguard project milestones, operational capacity was scaled up through the introduction of round-the-clock shifts, ensuring timely delivery across all fronts.





## CONSTRUCTION EQUIPMENT & MACHINERY - HIRING AND MAINTENANCE

The Construction Equipment Division (CED) continues to play a vital role in supporting the uninterrupted progress of construction projects by ensuring the operational readiness and availability of all critical machinery and vehicles. The division's core mandate includes the upkeep, optimisation, and management of the Group's entire construction equipment fleet, covering both owned and hired assets. This includes routine maintenance, timely breakdown responses, and the deployment of skilled drivers and machine operators

to support field operations. Additionally, the CED oversees the hiring of vehicles and machinery required for various projects, ensuring operational efficiency and cost-effectiveness across the Group.

During the year, the division further expanded its service scope to take on a broader logistical role in the Colombo West International Terminal (CWIT) construction project. Key responsibilities included the transportation of rock materials

from quarries to the site, ensuring the timely delivery of high-density materials essential for foundational and structural works. The CED also managed the movement of rocks from designated stockpiles to the rock revetment areas—critical to coastal protection and land reclamation efforts. Furthermore, the division handled the loading, transport, and precision levelling of dredged sand for backfilling activities, which are integral to the phased progression of CWIT development.



## MEP SERVICES

The MEP Division of Access Engineering PLC continues to be a cornerstone of the company's multidisciplinary engineering capabilities. Since its establishment in 2012, the division has steadily broadened its scope, delivering comprehensive MEP solutions—spanning electrical systems, ELV networks (LAN, CCTV, PABX, DACS, PA), plumbing and drainage, MVAC, fire detection and protection, as well as gas supply and distribution—across a wide spectrum of residential, commercial, industrial, and institutional developments throughout Sri Lanka.

Backed by a robust in-house team of seasoned Project Managers, Engineers, Quantity Surveyors, Technicians, and other technical and support

professionals, the division offers end-to-end MEP services. These include detailed design, estimation, consultancy, system installation, testing and commissioning, and full-spectrum project management.

During the reporting period, the division was instrumental in delivering MEP engineering services across numerous projects undertaken by all Project Management Divisions of Access Engineering PLC. Amid industry-wide challenges such as volatile material costs and skilled labor shortages, the division maintained operational excellence through strategic procurement, resource optimization, and sustained client engagement.

The integration of Building Information Modeling (BIM) and other advanced planning tools played a pivotal role in aligning design intent with on-site execution, particularly in high-density developments like the Marina Square Housing Project—where precision and coordination are paramount.

With a dedicated team of over 60 professionals and a supporting workforce of more than 70 skilled and semi-skilled personnel, the MEP Division remains fully equipped to execute multiple large-scale projects concurrently, reinforcing its reputation as a reliable and innovative engineering partner.



# CIVIL ENGINEERING

## ACCESS – CHEC JV (PRIVATE) LIMITED

Access – CHEC JV (Private) Limited was incorporated in 2021 as a joint venture for the construction of the East Container Terminal (ECT) at the Port of Colombo, the Country's second deep-water terminal following the Colombo International Container Terminal (CICT). Access Engineering PLC holds 51% controlling share in Access – CHEC JV (Private) Limited.

Phase I of the ECT project commenced in early 2022, with a primary focus on expanding the terminal's berthing capacity to 600 metres, supporting the Port's strategic position in global maritime trade.

### KEY HIGHLIGHTS FOR FY 2024/25

The project advanced steadily throughout the year, with all major earthworks and marine works under Phase I progressing on schedule. Ground improvement activities, including dynamic compaction, vibro-compaction, and roller-compaction, were carried out across the berth pocket, while associated infrastructure such as stormwater drainage systems, reinforcement for Automated Rubber-Tyred Gantry (ARTG) rails, and High-Mast Tower foundations reached substantial completion.

Meanwhile, the water-supply network was laid and integrated into the terminal's existing utility systems, ensuring readiness for future operations.

Significant progress was also made on quay-wall block casting and installation, which proceeded in tandem with the fabrication and transport of paving blocks and the laying of the asphalt wearing course on the apron. Preparatory works for container-handling operations continued, including the dismantling and relocation of existing Ship-to-Shore (STS) cranes to accommodate the new quay-wall alignment.

Each stage of construction was executed with close coordination with the Sri Lanka Ports Authority (SLPA) and terminal operators, ensuring navigational safety and minimising disruptions to active shipping lanes throughout the build.



## ACCESS PROJECTS (PRIVATE) LIMITED

Access Projects (Pvt) Ltd was incorporated in 2002 as a specialist provider of architectural and interior construction solutions to Sri Lanka's leisure, hospitality and residential sectors. The company delivers a broad spectrum of services, from the supply and installation of aluminium doors and windows to curtain-wall systems, structural glazing, and ceiling finishes, working in close partnership with architects, interior designers, and end-clients across the island.



### KEY HIGHLIGHTS FOR FY 2024/25

In the current year, the Company completed several ongoing projects at the Defence Headquarters Complex in Akuregoda involving the supply and installation of proprietary ceilings and timber doors, frames and hardware for Blocks 01 to 04. Site-specific challenges around ceiling-panel replacements in Blocks 01-03 of the Defence Headquarters Complex were addressed by establishing a dedicated repair team that completed inspections and replacements within the defect-liability period, ensuring that the Block 04 handover schedule remained unaffected.

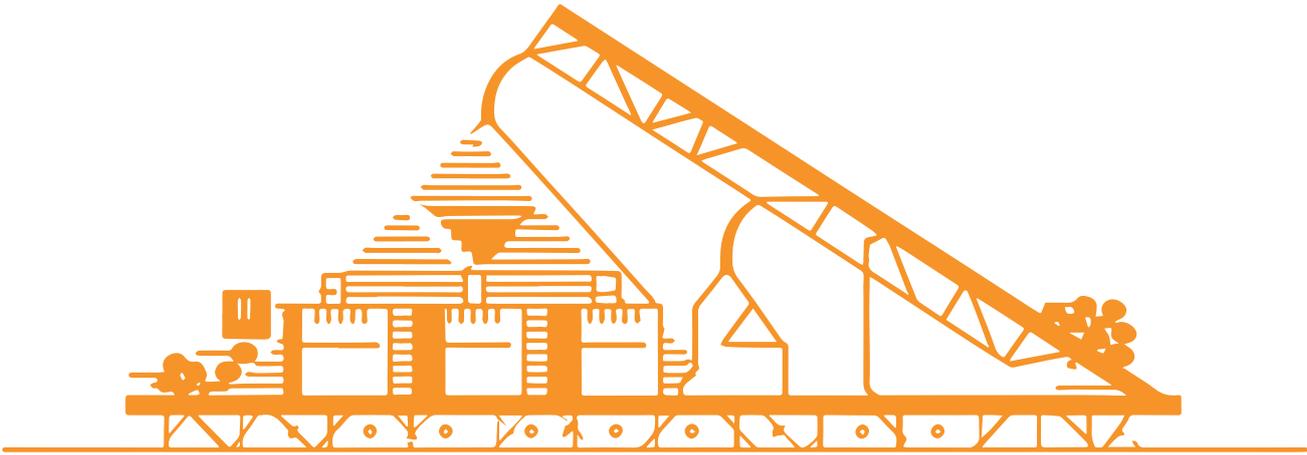
At the 606 Mixed Development, Access Projects was responsible for the supply and installation of aluminium windows, doors, and handrails, with work completed across 16 of the 22 floors in Tower 01 and 40 of the 55 floors in Tower 02.

Simultaneously, progress continued at the Tri-Zen development, where approximately 95% of aluminium door and window installations were completed across 900 residential units, along with all common-area openings.

### Looking Ahead

As Sri Lanka's infrastructure needs continue to evolve, our Civil Engineering segment remains firmly positioned at the forefront of national development. With a proven track record across sectors and geographies, we are prepared to take on the next generation of complex projects—combining deep technical expertise with agile execution. Our forward momentum will be shaped by smart partnerships, adaptive designs, and a sustained focus on quality, safety, and environmental stewardship. In doing so, we will continue to build enduring infrastructure that not only supports economic growth but also uplifts the communities we serve.

# CONSTRUCTION MATERIAL PRODUCTION



Through Access Engineering PLC and Lanka AAC (Private) Limited, we deliver vertically integrated material production that guarantees quality, availability, and consistency across every project. With a nation-wide network of asphalt plants, ready-mix concrete facilities, quarries, and crusher operations, we supply the construction industry with standards-compliant materials that enhance durability, performance, and long-term value.

Contribution to  
Group Revenue

**22.68%**

Share of Group Assets

**5.18%**

Share of Group Liabilities

**3.74%**

## SEGMENT OVERVIEW

At the heart of our operations, the Construction Material Production segment is the foundation that supports not only our own projects but also the broader construction industry. By delivering a consistent supply of quality materials, this segment ensures that every building, road, and infrastructure development stands on solid ground. Its reliable performance and commitment to quality make it a vital contributor to the Group's growth, driving both revenue and long-term value. As we continue to innovate and improve, this segment remains key to meeting the evolving demands of Sri Lanka's infrastructure landscape.

## CORE COMPETENCIES

- » **Asphalt Plants** produce asphalt concrete used primarily in road construction and maintenance. We incorporate advanced quality assurance and emission control mechanisms, including dust filtration systems, and have implemented improved fuel consumption norms to reduce CO<sub>2</sub> emissions.
- » **Quarries** are the source of our raw materials, including boulders, rubble and armour rock. These are extracted and processed under strict licensing and environmental standards. Tree-planting initiatives and monitored machine hours help reduce environmental impacts.
- » **Crusher Plants** crush raw rock into specific aggregate sizes for construction. They also manufacture M-sand. These operations are optimized for energy efficiency and equipped with sprinkler systems to control dust emissions.
- » **Concrete Batching Plants** are responsible for the precise mixing of cement, aggregates, water, and admixtures to produce high-quality ready-mixed concrete. Recycled water systems are employed to reduce water waste during the truck mixture washing process.
- » **Sand Washing Plants** clean, filter and process quarry dust to manufacture M - Sand (Manufactured Sand) as an eco-friendly alternative to river sand to be used in ready-mix concrete production. These facilities also utilize recycled water to minimize water consumption.

## PRODUCTION PLANTS

Access Engineering PLC's network of production plants forms a vital supply chain that supports Sri Lanka's infrastructure growth. With operations spanning asphalt production, aggregate crushing, and concrete mixing, the division is built to scale—serving both internal construction needs and external demand across commercial and public sector projects.

High-capacity asphalt plants deliver industry-standard mixes required for national expressways and airport upgrades, while concrete batching plants ensure consistent quality across a variety of structural applications. Aggregate crushers and sand washing facilities help maintain continuity in construction timelines by reducing dependency on third-party suppliers.

Aligned with the Group's ongoing commitment to delivering premium-grade asphalt and concrete solutions that meet the highest benchmarks of safety and performance, all Access production facilities operate under a rigorous framework of quality inspection, control, and assurance. These protocols are fully compliant with internationally recognised standards, including the ISO 9001:2015 Quality Management System and ISO 45001:2018 Occupational Health and Safety Standard, ensuring operational consistency and workplace safety across all plants.

In parallel, the division continues to advance its environmental stewardship agenda by promoting eco-friendly manufacturing processes and responsible material use, in line with the ISO 14001:2015 Environmental Management Standard. This integrated approach to quality, safety, and sustainability is further reinforced by the division's emphasis on innovation in material formulation.

Through ongoing research and development, the Production Plants have focused on engineering advanced material mixes capable of withstanding Sri Lanka's diverse environmental conditions, sustained heavy traffic, and the specialised demands of client projects. In support of this, additives and modifiers are strategically incorporated into product designs — enhancing durability, structural strength, and overall performance, while simultaneously reducing both production costs and environmental impact.

# CONSTRUCTION MATERIAL PRODUCTION

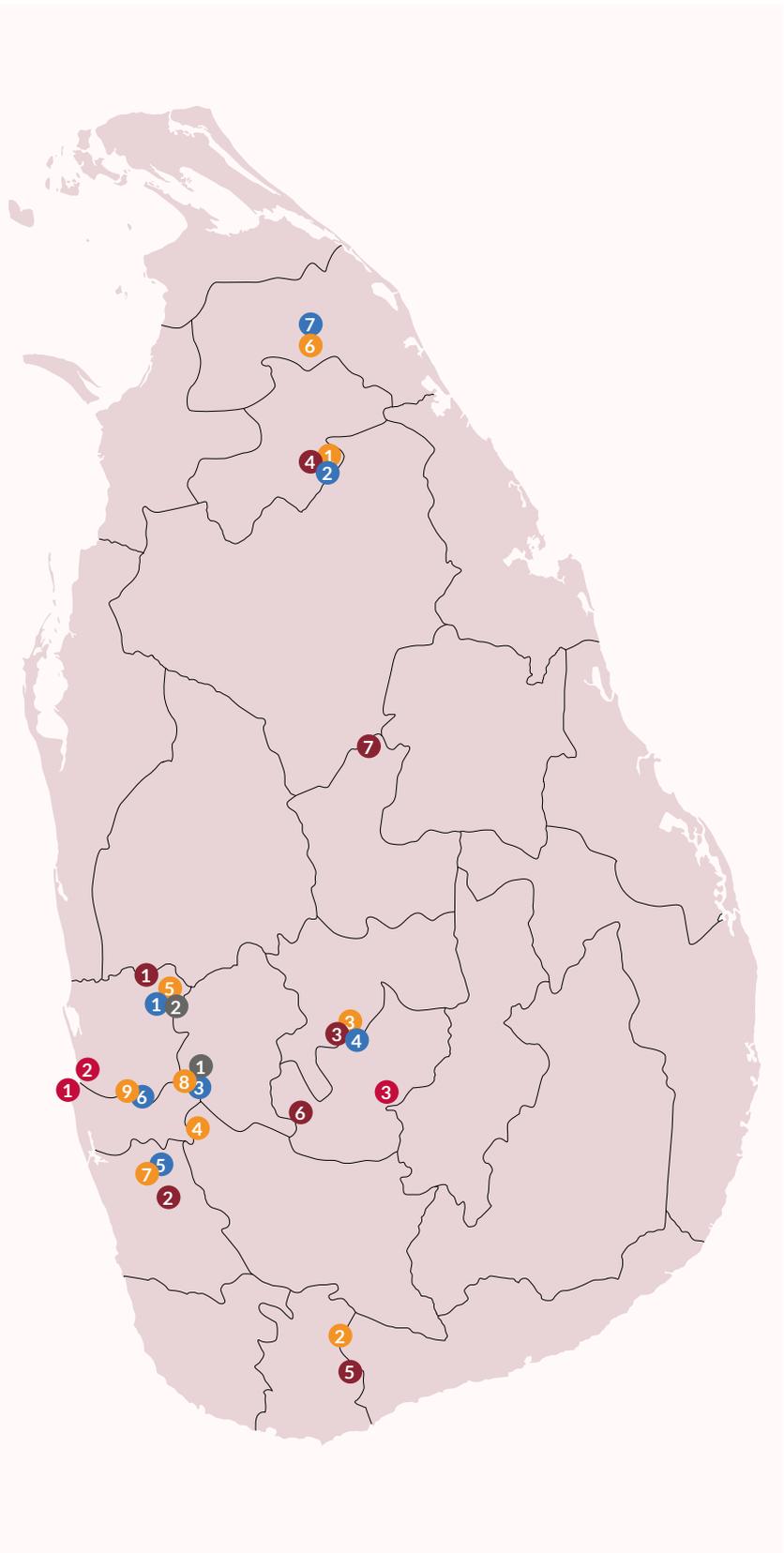
Asphalt Plants		
1.	Kotadeniyawa	120-ton P/H
2.	Mathugama	160-ton P/H
3.	Mailapitiya	120-ton P/H
4.	Vavuniya	120-ton P/H
5.	Okewela	96-ton P/H
6.	Hatton	96-ton P/H
7.	Ganewalpola	120-ton P/H

Quarries		
1.	Vavuniya	B, 2C grade license
2.	Hakmana	B grade license
3.	Mailapitiya	2 B grade license
4.	Wallallavita	2 B grade license
5.	Meerigama	A grade license
6.	Mankulam	A grade license
7.	Thebuwana	A grade license
8.	Kosgama	2 B grade license
9.	Kaduwela	A grade license

Crusher Plants		
1.	Meerigama	150TPH
2.	Vavuniya	80 TPH
3.	Kosgama	100TPH
4.	Mailapitiya	150TPH
5.	Thebuwana	50TPH
6.	Kaduwela	100TPH
7.	Mankulam	80 TPH

Concrete Batching Plants		
1.	Port of Colombo (3 Plants)	175 m3p/h, 30 m3p/h, 40 m3p/h,
2.	Peliyagoda	120m3p/h
3.	NuwaraEliya	20 m3p/h

Sand Washing Plant		
1.	Kosgama	1. 100TPH
2.	Meerigama	2. 100TPH



## KEY HIGHLIGHTS FOR FY 2024/25

During the year, Access Engineering's Construction Materials Production Division played a pivotal role in one of the country's key aviation infrastructure upgrades — the transformation of the Runway at Sri Lanka Air Force Base - Hingurakgoda to meet international standards and accommodate widely utilized A320 and Boeing 737 aircraft operations. As one of the few local contractors with expertise to produce polymer modified asphalt concrete complying to international standards. Access Production Plants commenced asphalt application works on the project, marking a significant milestone in technical capability and project execution.

A notable advancement during this engagement was the introduction of Polymer Modified Bitumen (PMB) PG 76-10 into the asphalt mix design — a high-performance innovation engineered to provide superior resistance to rutting, enhanced durability, and greater flexibility under conditions of intense traffic and extreme weather. This upgrade not only reinforced the Group's reputation for technical excellence but also elevated the performance

standards applied to both aviation and high-capacity road infrastructure in Sri Lanka.

On the operational front, the division remained agile in the face of escalating material costs and persistent supply chain disruptions. In response, it strategically built buffer stocks of critical inputs including bitumen, cement, and aggregates, while further strengthening backward integration with key suppliers to ensure supply continuity and cost stability.

At the same time, the ongoing national shortage of skilled plant operators and technicians emerged as a pressing industry challenge. The division responded proactively by launching a specialised technical training programme in collaboration with leading asphalt plant manufacturers in China, aimed at equipping operational teams with advanced, plant-specific expertise. These efforts were complemented by a broader human capital strategy encompassing employee recognition initiatives, development workshops, and targeted recruitment — all designed to bridge talent gaps and build long-term operational resilience.



# CONSTRUCTION MATERIAL PRODUCTION

## LANKA AAC (PRIVATE) LIMITED

Established in 2017, Lanka AAC (Private) Limited became part of the Access Engineering portfolio when Access Engineering PLC acquired a 50% stake in the company in 2021. Since then, Lanka AAC has grown to become one of Sri Lanka's leading manufacturers of Autoclaved Aerated Concrete (AAC) blocks a lightweight, energy-efficient alternative to traditional masonry materials.

AAC blocks are now widely adopted across residential, commercial, and institutional projects, both for structural and non-structural applications. In addition to their performance benefits, these blocks are produced using fly ash and other industrial by-products, contributing to a lower carbon footprint and helping to reduce construction-related waste, aligning well with modern sustainability priorities.



### KEY HIGHLIGHTS FOR FY 2024/25

In line with its ongoing focus on innovation and environmental responsibility, Lanka AAC achieved a major material milestone by transitioning from traditional fly ash to dump ash as the primary raw material in its AAC block production. As a more sustainable and cost-effective alternative, dump ash offered both environmental and operational advantages.

To support this shift, the company commissioned a new ball mill processing line designed to refine dump ash and

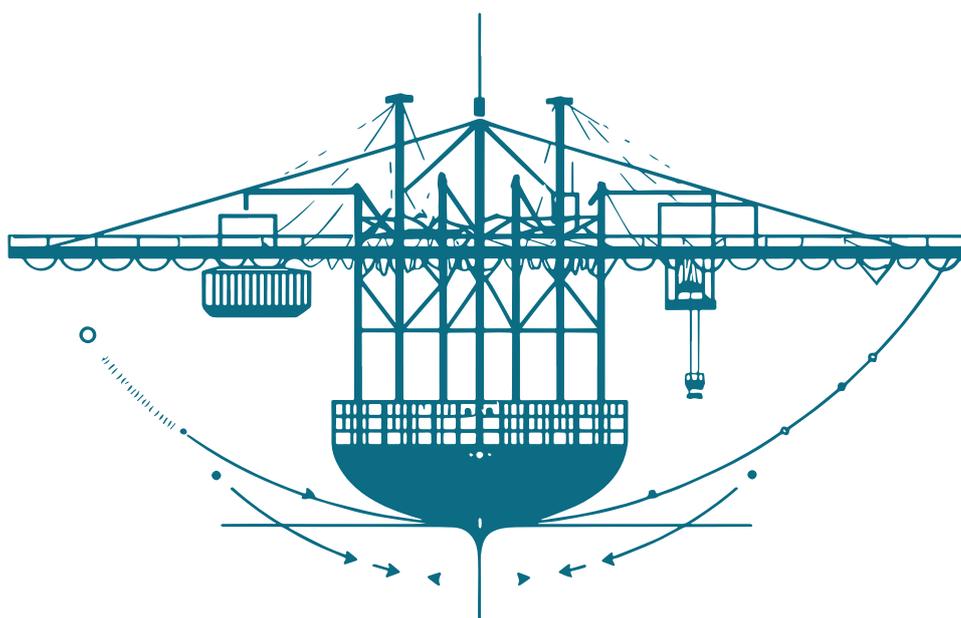
optimise its particle size and consistency — ensuring product performance and structural reliability remained uncompromised.

In parallel, Lanka AAC strengthened its market presence and industry engagement through participation in several leading construction exhibitions and technical forums. These platforms were used to effectively promote the versatility, efficiency, and environmental value of the new dump ash-based AAC blocks to contractors, consultants, and developers across the industry.

### Looking Ahead

As the construction landscape evolves, our Construction Material Production segment is well-positioned to meet emerging demands through its integrated supply chain, unwavering commitment to quality, and forward-thinking approach to sustainability. With a solid foundation in place and innovation at the core, the segment will continue to play a pivotal role in enabling the Group's long-term growth and delivering value to the nation's infrastructure ambitions.

# MECHANICAL ENGINEERING



With the combined strength of our subsidiaries – ZPMC Lanka Company (Private) Limited and Access Engineering Port Services – we deliver advanced mechanical engineering solutions that drive efficiency, durability and sustainability. As we expand our capabilities to meet the demands of large-scale projects like the East and West Container Terminals (ECT & WCT), we continue to engineer robust systems that seamlessly integrate technology and function across complex infrastructure environments.

Contribution to  
Group Revenue

**0.12%**

Share of Group Assets

**0.43%**

Share of Group Liabilities

**0.02%**

# MECHANICAL ENGINEERING

## SEGMENT OVERVIEW

The Mechanical Engineering segment specializes in the commissioning, repair, and maintenance of port machinery, playing a vital role in supporting Sri Lanka's key maritime infrastructure. With a strong focus on reliability and technical expertise, this segment ensures that port operations run smoothly and efficiently. By delivering tailored mechanical solutions, it contributes significantly to the Group's portfolio, reinforcing Access Engineering's commitment to excellence and operational uptime in critical industries

## CORE COMPETENCIES

### ZPMC Lanka Company (Private) Limited

Providing after-sales service, maintenance and commissioning support for ZPMC-manufactured container-handling gantry cranes across Sri Lanka, Pakistan, Bangladesh and other regional territories

### Access Engineering Port Services (Private) Limited

Repair and upkeep of all quay cranes, rubber-tyred gantries, conveyors and ancillary terminal equipment for ports.

### ZPMC LANKA COMPANY (PRIVATE) LIMITED

Established in 2013 as a 50:50 joint venture between Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) and Access Engineering PLC, ZPMC Lanka Company (Pvt.) Ltd has evolved into a key regional player in the provision of after-sales service, maintenance, and commissioning support for ZPMC-manufactured container-handling gantry cranes. With operational reach spanning Sri Lanka, Pakistan, Bangladesh, and beyond, the Company has earned a strong reputation for its technical proficiency, swift turnaround times, and unwavering service reliability – attributes that have underpinned its decade-long growth and presence in the maritime logistics landscape.





## KEY HIGHLIGHTS FOR FY 2024/25

The year under review marked two important operational milestones: ZPMC Lanka's eleventh consecutive year of service at the Colombo International Container Terminal (CICT), and its fifth year of continued operations at the Hambantota International Port Group (HIPG). In both cases, the Company played a critical role in maintaining uninterrupted crane availability, supporting the smooth functioning of Sri Lanka's primary maritime gateways and sustaining vital import-export flows.

Elsewhere in the country, the Company's technical prowess was on full display at the newly commissioned Colombo West International Terminal (CWIT), where it successfully managed the unloading and commissioning of eight Ship-to-Shore (STS) cranes and eighteen Cantilever Rail-Mounted Gantry (CRMG) cranes. At the East Container Terminal (ECT), operating under the Sri Lanka Ports Authority, ZPMC Lanka completed the unloading and commissioning of six STS cranes and twenty Semi-Automated Rail-Mounted Gantry (ARMG) cranes. However, a significant operational setback emerged when the Sri Lankan government opted not to proceed with awarding the straddle carrier contracts, causing unforeseen disruption to the ECT commissioning timeline. In response, ZPMC Lanka efficiently reallocated its resources to support STS and Rubber-Tyred Gantry (RTG)

assignments across the region, demonstrating agility under pressure.

On the regional front, the Company maintained a strong presence in Pakistan, executing sixteen major after-sales and refurbishment assignments. These included sill-beam replacements on sixteen RTG cranes at South Asia Pakistan Terminals (SAPT), generator-set replacements on another sixteen RTGs, as well as trolley-rail and wheel replacements for three STS cranes. Additional works included gearbox replacements, repainting projects, and air-conditioning system upgrades across various Pakistan International Container Terminal (PICT) and Karachi Gateway Terminal sites – reaffirming ZPMC Lanka's role as a trusted long-term partner in critical crane lifecycle management.

The seamless project execution at CWIT and ECT further strengthened ZPMC Lanka's standing with its parent company, ZPMC, resulting in new invitations to tender for similar crane commissioning projects in Turkey and other emerging international markets. While no major capital investments were undertaken during the year, this expanding pipeline of opportunities positions ZPMC Lanka to tap into new avenues of growth as global port operations and trading volumes continue their recovery trajectory.

# MECHANICAL ENGINEERING

## ACCESS ENGINEERING PORT SERVICES (PRIVATE) LIMITED

Formed in July 2024 as a wholly owned subsidiary of Access Engineering PLC, Access Engineering Port Services (Pvt) Ltd (AEPS) marks the Group's strategic foray into dedicated port maintenance and engineering services. By November 2024, AEPS had commenced operations under a comprehensive maintenance contract with the Colombo West International Terminal (CWIT), taking on responsibility for the upkeep of quay cranes, rubber-tyred gantries (RTGs), conveyors, and a wide range of ancillary terminal equipment — all vital for ensuring seamless cargo handling and operational continuity at one of the country's newest maritime assets.

From the outset, AEPS set out to create a fully integrated port services unit, mobilising a multidisciplinary team of over sixty-five professionals. This included twelve highly qualified mechanical and electrical engineers, supported by forty-eight seasoned technicians, along with a backbone of administrative and safety personnel. In addition to delivering maintenance services, the Company also entered the supply chain domain, initiating the provision of essential spare parts for CWIT and other terminals across Sri Lanka — steadily positioning itself as a one-stop, end-to-end solutions provider within the port services ecosystem.

### KEY HIGHLIGHTS FOR FY 2024/25

In its inaugural year, AEPS wasted no time establishing itself as a dependable service partner. The Company rapidly deployed its field teams and supporting workshop infrastructure to meet the demanding service-level expectations of CWIT. Amidst global supply chain challenges — exacerbated by geopolitical instability — AEPS drew upon Access Engineering PLC's broader supplier network to secure critical port-equipment components, ensuring uninterrupted operations and enabling CWIT to stay aligned with its performance benchmarks.

A strong emphasis was also placed on building operational resilience. AEPS introduced a comprehensive preventive maintenance regime, systematically analysing equipment

failure patterns and spare part consumption rates to minimise unplanned downtime. Complementing this, on-site inventory management protocols and digital maintenance logs were rolled out, enabling real-time tracking of crane uptime, service cycles, and maintenance intervals — enhancing both transparency and response agility.

Buoyed by its early successes at CWIT, AEPS has since taken confident strides toward positioning itself as a trusted partner for port engineering services not only within Sri Lanka, but also across the wider Asian maritime region. With its blend of technical expertise, responsive service, and strategic supply chain integration, AEPS is primed to play a pivotal role in the evolving landscape of regional port infrastructure support.

### Looking Ahead

With its proven capabilities and growing regional presence, the Mechanical Engineering segment is well-positioned to support the evolving needs of South Asia's port infrastructure landscape. Backed by a track record of reliability, technical excellence, and rapid mobilisation, the segment will continue to expand its footprint through strategic partnerships, regional engagements, and service innovation. As demand for high-availability port operations grows, our focus remains on driving operational resilience, investing in skilled talent, and delivering integrated engineering solutions that strengthen the Group's role in enabling efficient, future-ready logistics networks.

# PROPERTIES

## COMMERCIAL OFFICES



Through Access Realities (Private) Limited, Access Realities 2 (Private) Limited and ARL Elevate (Private) Limited, we manage over 530,000 square feet of Grade "A" rentable office and retail space, including Access Towers I & II.

Strategically located and thoughtfully designed, our commercial properties cater to modern business demands- enhancing productivity, accessibility and long term value. Our portfolio also includes a public car park facility in Union Place, supporting urban mobility and convenience.

Contribution to  
Group Revenue

**3.41%**

Share of Group Assets

**11.41%**

Share of Group Liabilities

**5.88%**

# PROPERTIES COMMERCIAL OFFICES

## SEGMENT OVERVIEW

The Property – Commercial Offices segment focuses on the development and management of premium office spaces in key urban locations. Designed to meet the evolving needs of modern businesses, these properties offer professional, well-equipped environments that support productivity and corporate growth. By attracting reputable tenants and ensuring high occupancy rates, this segment delivers stable returns and strengthens the Group’s presence in the commercial real estate market.

## CORE COMPETENCIES

### Premier A-grade commercial office space

- » Access Realities I (Private) Limited
- » Access Realities II (Private) Limited

### Provision of support facilities to Access Towers

- » ARL Elevate (Private) Limited

## ACCESS REALITIES I (PRIVATE) LIMITED

Access Realities (Pvt) Ltd owns and manages Access Tower I, a landmark twelve-storey commercial office building situated in Colombo 02, at the heart of the city’s central business district. Offering 125,000 square feet of prime rentable space, Access Tower I continues to hold its place among Colombo’s most sought-after Grade A office properties, consistently attracting a prestigious and diversified tenant portfolio – including local conglomerates and multinational corporations



## KEY HIGHLIGHTS FOR FY 2024/25

In FY 2024/25, Access Tower I recorded a year-on-year revenue increase of 16%, underpinned by 100% occupancy throughout the year – a clear reflection of its ability to retain tenant confidence and meet ongoing demand for premium office space in a highly competitive market.

With competition intensifying across the commercial real estate sector, the company sharpened its client retention strategy, placing greater emphasis on flexible leasing arrangements to cater to evolving tenant needs. At the same time, a programme of modernisation and asset enhancement continued across the property, with particular focus on upgrading common areas and strengthening building security systems.

Despite industry-wide supply chain constraints, especially for imported building systems and equipment, the company proactively navigated delays through forward planning and vendor diversification, ensuring minimal disruption to tenants and keeping renovation works on schedule.

Notably, the year also marked the beginning of Access Tower I’s transition toward green building standards, with the commissioning of a magnetic-bearing chiller to upgrade the air-conditioning system – a first step in a broader plan to pursue green building certification and reduce the property’s long-term environmental footprint.



### **ACCESS REALTIES II (PRIVATE) LIMITED**

Incorporated in 2017, Access Realities II (Pvt) Ltd. is the owner and operator of Access Tower II, a prominent Grade A commercial office development located in Colombo 02. Rising 30 storeys above the central business district, the tower comprises 22 floors of premium office space, delivering approximately 197,000 square feet of high-quality rentable area. The building's first eight levels house a fully integrated parking facility with capacity for around 300 vehicles, offering enhanced convenience for tenants and visitors alike.

Designed to serve as a self-contained business hub, Access Tower II also features a suite of on-site lifestyle amenities, including a 360-degree panoramic rooftop restaurant, a members' lounge with private dining rooms, a fully equipped gymnasium, coffee shops, and a spacious cafeteria capable of seating up to 300 guests. These elements collectively position the tower as a modern, experience-driven workspace in the heart of the city.

#### **KEY HIGHLIGHTS FOR FY 2024/25**

Throughout FY 2024/25, occupancy levels remained above 90%, driving a 17% increase in revenue year-on-year - a strong performance that underscores the continued market appeal of Access Tower II, even amidst growing competition in Colombo's commercial real estate sector.

As part of the tower's ongoing commitment to operational excellence and tenant satisfaction, this year saw a key infrastructure upgrade with the enhancement of its central power configuration to an N+2 redundancy model. This improvement ensures uninterrupted operations during mains power outages or scheduled maintenance, strengthening the building's resilience and appeal to high-dependency commercial tenants.

### **ARL ELEVATE (PRIVATE) LIMITED**

ARL Elevate (Pvt) Ltd serves as the lifestyle and hospitality arm of the Group, established with a mandate to enhance tenant experience and provide a refined platform for corporate engagement. Operating across Levels 28 and 29 of Access Tower II, the company curates a suite of premium amenities that address both everyday wellness needs and high-end event requirements.

On Level 28, the state-of-the-art gymnasium is equipped with modern cardiovascular and strength-training systems, complemented by tailored wellness programmes and personalised fitness services aimed at fostering long-term health and productivity among tenants and external members.

Above, the rooftop bar and restaurant offer a sophisticated environment for client entertainment, corporate receptions, and social gatherings, while the adjacent 29th-floor members' lounge provides an exclusive setting for networking, informal meetings, and quiet retreat. Outfitted with premium furnishings and supported by dedicated service staff, the lounge enhances the overall corporate lifestyle experience within Access Tower II.

## PROPERTIES COMMERCIAL OFFICES



### KEY HIGHLIGHTS FOR FY 2024/25

The year marked strong growth in hospitality activity, with over 75 corporate events hosted across the rooftop bar, restaurant, and members' lounge — a notable increase over the previous year. Venue bookings rose by 40%, driven by the expansion of operational capabilities through new partnerships with leading catering and audio-visual providers. These collaborations enabled the delivery of turnkey event solutions, ranging from boardroom presentations to large-scale client receptions, enhancing ARL Elevate's positioning as a go-to venue for corporate functions.

In the wellness domain, the year also saw the official launch of the wellness centre and the introduction of two new instructor-led fitness classes — Yoga Fusion and Functional Training — both of which received consistently high satisfaction scores in member feedback surveys.

Looking ahead, ARL Elevate plans to expand its wellness offerings into areas such as mindfulness and nutrition, reflecting growing interest in holistic health. Additionally, the company is preparing to roll out an upgraded digital booking platform, designed to streamline the user experience through real-time availability tracking and integrated event-planning tools — further enriching the client experience and operational efficiency.

### UDA CAR PARK

The UDA Car Park, located in Colombo 2 adjacent to the Access Towers complex, is operated by Access Engineering PLC under a Design-Build-Finance-Operate-Transfer (DBFOT) contract with the Urban Development Authority (UDA) of Sri Lanka. This eight-storey facility offers 285 parking bays and allocates approximately 20% of its 62,000 square feet of floor space for retail and office use, enhancing both convenience and commercial utility.

Engineered for durability and user efficiency, the structure features precast concrete ramps, high-capacity lifts, automated payment systems, and LED lighting — all aimed at delivering a streamlined, safe, and energy-efficient experience for daily users. Since becoming fully operational in early 2023, the car park has offered 24-hour uninterrupted service, significantly improving access for commuters and businesses in the area, while also enabling the generation of non-parking revenue streams for the UDA.



### KEY HIGHLIGHTS FOR FY 2024/25

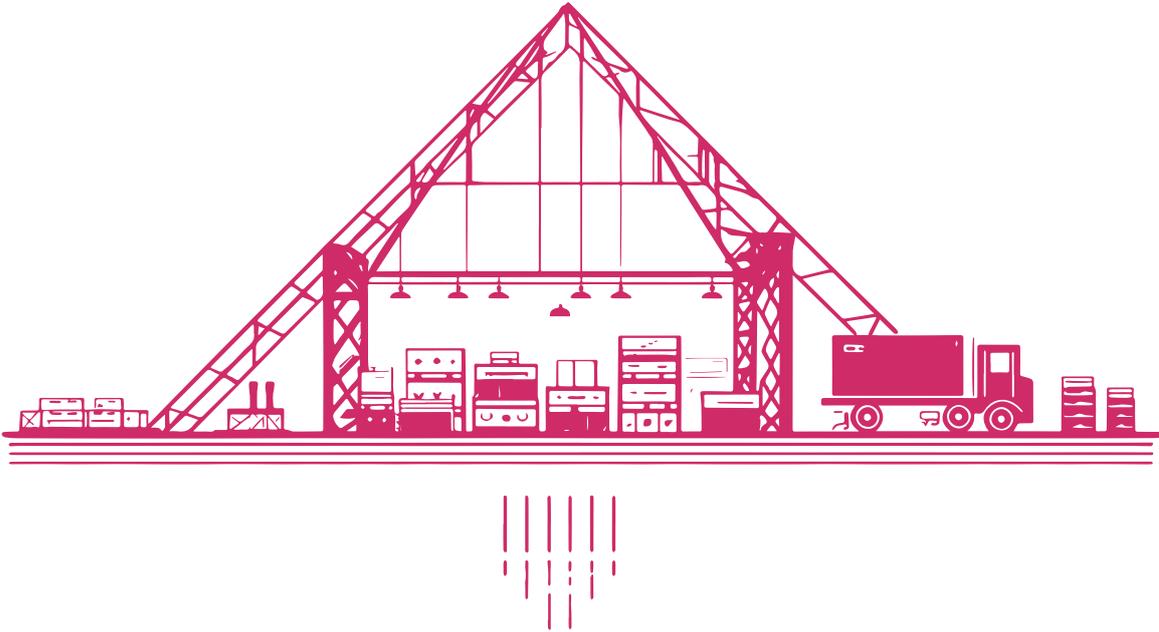
In FY 2024/25, Access Engineering continued to operate and maintain the UDA Car Park under its DBFOT agreement, with a strong emphasis on proactive maintenance. All mechanical systems and automated payment terminals were serviced on a quarterly basis, minimising the risk of downtime and ensuring service continuity.

Customer feedback remained a central focus throughout the year, with surveys indicating consistently high satisfaction scores in key areas such as parking convenience, facility cleanliness, and user safety. Notably, retail and office tenants within the complex reported a measurable increase in visitor footfall, attributing the growth to the facility's reliability and ease of access — underscoring the commercial and public service success of the DBFOT model in an urban infrastructure setting.

### Looking Ahead

With a strong foundation in premium commercial real estate and a growing reputation for tenant-focused innovation, the Properties – Commercial Offices segment is well-positioned to meet the evolving demands of Sri Lanka's urban business landscape. Leveraging its strategic locations, modern amenities, and commitment to operational excellence, the segment will continue to drive value through high occupancy, sustainable asset enhancements, and integrated lifestyle offerings. As the workplace continues to transform, this segment remains central to the Group's long-term vision of shaping vibrant, future-ready urban ecosystems.

# PROPERTIES COMMERCIAL WAREHOUSES



Through Access Logistics (Private) Limited, Access Logistics Park Ekala (Private) Limited and W U S Logistics (Private) Limited, we deliver state-of-the-art warehousing and logistics solutions that enhance efficiency throughout the supply chain. Purpose-built to meet the evolving demands of modern commerce, our facilities enable seamless storage, distribution and scalability-empowering businesses with the infrastructure to grow, adapt and lead

Contribution to  
Group Revenue

**6.43%**

Share of Group Assets

**28.34%**

Share of Group Liabilities

**9.47%**

# PROPERTIES COMMERCIAL WAREHOUSES

## SEGMENT OVERVIEW

The Property – Commercial Warehouses segment focuses on the development, management, and leasing of strategically located warehouse spaces. Catering to the growing demand for efficient logistics and storage solutions, this segment supports businesses across industries by providing modern, well-maintained facilities designed to optimize supply chain operations. Its steady performance contributes to the Group's diversified revenue streams while reinforcing Access Engineering's footprint in the commercial real estate sector

## CORE COMPETENCIES

### Modern warehousing and logistics facilities to support storage and supply chain management

- » Access Logistics Park Ekala (Private) Limited
- » WUS Logistics (Private) Limited
- » Access Logistics (Private) Limited

### ACCESS LOGISTICS PARK EKALA (PRIVATE) LIMITED

Access Logistics Park Ekala (Private) Limited, a fully owned subsidiary of Access Engineering PLC, was established in 2021 to develop a state-of-the-art Export Greenfield (EGF) Warehouse and Logistics Facility. The project is undertaken under a 50-year lease from the Urban Development Authority (UDA) and structured as a DBFOOT model (Design-Build-Finance-Own-Operate-Transfer) – reflecting a long-term commitment to delivering next-generation industrial infrastructure.

Spanning nearly 700,000 square feet of advanced logistics and warehousing space, along with 32,000 square feet of premium Grade 'A' office facilities, the complex has been purpose-built to accommodate modern cargo handling, value addition, and secure storage operations. High-specification mechanical and electrical systems ensure operational efficiency, while a range of on-site amenities – including staff accommodation, medical services, a gymnasium, and recreational areas such as basketball courts – support a fully integrated working environment that prioritises both functionality and employee well-being.

A key differentiator of the Ekala facility is its industry-first approach to fire safety and environmental protection. The complex is equipped with a fully NFPA-compliant Fire Detection and Protection System, including two 1,500 m<sup>3</sup> fire water tanks and a first-of-its-kind automated fire water capture system – a pioneering feature not only in Sri Lanka but possibly across South Asia. In the event of a fire, the system automatically activates five radial gates and three sluice gates linked to the fire alarm system, diverting firefighting water runoff into an isolated containment pond within five minutes. This prevents the release of hazardous substances into the environment, setting a new benchmark for eco-conscious industrial safety.





### KEY HIGHLIGHTS FOR FY 2024/25

In a significant milestone, the Ekala Park facility completed the commissioning of a 9.2 MW rooftop solar PV system – the largest single-location installation of its kind in Sri Lanka. Operating on a net-plus-plus basis, the system enables surplus electricity to be exported directly to the national grid, contributing to Sri Lanka's renewable energy targets while also generating a recurring revenue stream for the Group.

Executing such a large-scale installation on an active warehouse posed considerable operational challenges. However, the project team effectively mitigated risks and disruptions by carrying out works during non-peak operational hours, installing temporary protective mesh beneath the roof, and implementing comprehensive rooftop safety systems, including lifelines and fall-arrest mechanisms to ensure the safety of installation teams.



## PROPERTIES COMMERCIAL WAREHOUSES

### WUS LOGISTICS (PRIVATE) LIMITED

WUS Logistics (Private) Limited (WUS) owns and operates a strategically located 42-acre logistics park in Kimbulapitiya, home to Sri Lanka's largest single-roof industrial facility. The complex comprises 430,000 square feet of warehousing space and an additional 32,000 square feet of premium Grade 'A' office space, developed to meet leading international benchmarks, including NFPA (fire detection and protection), ASHRAE (ventilation), and relevant BS-EN construction and design codes.

The facility has been designed to accommodate a wide range of industrial and logistics operations, offering integrated features such as on-site workshops, site offices, and staff accommodation. At its core is a highly engineered warehouse structure with 50 container loading bays, each fitted with fast-opening sectional doors and self-levelling dock levellers, enabling the simultaneous handling of up to fifty 40-foot containers.

Optimised for efficiency, the warehouse achieves a 60-meter clear span with only two internal columns per portal, ensuring uninterrupted material flow. With an internal eave height of 15.5 meters and ridge height of 24 meters, the facility supports high-density racking in both Narrow Aisle (NA) and Very Narrow Aisle (VNA) configurations, allowing for the storage of over 100,000 Euro pallets – the highest pallet capacity of any logistics facility in Sri Lanka.

Supporting this infrastructure is a robust large-pour concrete floor, laid with armored joints every 10,000 square feet to minimise disruptions to racking systems and Material Handling Equipment (MHE) movement. The flooring is structurally engineered to withstand a punching load of 150 kN (15 tons) and a uniformly distributed load of 75 kN (7.5 tons) per square meter, ensuring long-term resilience for intensive industrial use.

The facility is further supported by a 4.6 MVA power connection from the Ceylon Electricity Board (CEB), integrated MEP service ducts (including fibre optics), a comprehensive perimeter drainage system, and direct access via a 17-meter-wide, Grade A internal road network – facilitating smooth movement of cargo and personnel throughout the site.





## KEY HIGHLIGHTS FOR FY 2024/25

In a major commercial milestone, WUS Logistics secured its inaugural tenant during the year – a leading Chinese mattress manufacturer, under a mid-term lease agreement. To meet the tenant’s specific operational needs, WUS deployed its in-house engineering and construction capabilities to reconfigure utility connections and adjust internal workflows, completing all modifications within a tight delivery schedule.

The company also finalised the lease agreement with Access Logistics (Pvt) Ltd. for the 6.6 MW rooftop solar

PV system, positioning WUS Logistics as the operator of Sri Lanka’s largest single-roof solar power installation – further reinforcing the park’s sustainability credentials.

Looking ahead, WUS Logistics has initiated a focused client acquisition strategy aimed at attracting tenants to its remaining 24 acres of development-ready land. Construction on the next phase of expansion is expected to begin in the upcoming financial year, with the facility’s strategic location and enhanced renewable energy profile serving as key differentiators in appealing to high-profile logistics and manufacturing clients.

# PROPERTIES COMMERCIAL WAREHOUSES

## ACCESS LOGISTICS (PRIVATE) LIMITED

As the Group's specialised warehousing and industrial storage arm, Access Logistics (Pvt) Ltd. operates Grade A warehousing facilities across two purpose-built Industrial and Logistics Parks in Ekala and Kimbulapitiya. These sites are designed to deliver high-performance storage infrastructure tailored to meet the evolving demands of modern supply chains

### KEY HIGHLIGHTS FOR FY 2024/25

In keeping with the AEL Group's decarbonisation priorities, Access Logistics dedicated the year to strengthening the sustainability credentials of its logistics operations. The most notable achievement was the successful commissioning of a 6.6 MW rooftop solar photovoltaic (PV) system at the WUS Logistics (Private) Limited warehousing complex in Kimbulapitiya – a flagship energy transition project for the Group.

The scale and complexity of the installation made it a distinctive engineering undertaking. The Kimbulapitiya facility, situated directly beneath the Bandaranaike International Airport flight path, features a 15.5-metre eave height and 25-metre ridge height, severely limiting crane access for rooftop work. Compounding the challenge was the warehouse's jointless roofing system,

which spans continuously from ridge to eave – rendering standard solar panel mounting methods unsuitable.

To navigate these constraints, Access Logistics' engineering team developed a bespoke clipping mechanism, designed to securely affix the solar panels without breaching the roof structure. This innovative solution enabled the installation of 11,850 solar panels and 22 inverters, all completed within a tight four-month window, and with minimal disruption to day-to-day warehousing operations.

Looking ahead, the company intends to build on this success by leveraging its in-house engineering and construction expertise to roll out further upgrades across its logistics footprint – reinforcing sustainability, efficiency, and long-term asset resilience.

### Looking Ahead

With sustainability-led design, engineering ingenuity, and operational excellence at its core, the Properties – Commercial Warehouses segment is poised to play an increasingly vital role in advancing Sri Lanka's industrial logistics infrastructure. As demand for resilient, high-capacity warehousing continues to rise, the segment is well-positioned to attract global and regional tenants seeking future-ready facilities. Backed by robust in-house capabilities and a growing portfolio of flagship assets, the segment will continue to drive growth through client-focused innovation, strategic land development, and integration of renewable energy systems – reinforcing the Group's long-term commitment to enabling efficient, green, and globally competitive supply chains.

# CONDOMINIUM PROPERTIES



Through Harbor Village (Private) Limited, we are redefining urban living with Sri Lanka's largest single -phase harbor-front mixed development. Designed to offer a unique blend of lifestyle, location, and lasting value, Harbor Village continues to attract strong interest from discerning buyers – positioning it as a landmark investment in residential real estate

Contribution to  
Group Revenue

-

Share of Group Assets

28.48%

Share of Group Liabilities

32.26%

# CONDOMINIUM PROPERTIES

## SEGMENT OVERVIEW

The Condominium Properties segment is dedicated to developing high-quality residential spaces that blend modern living with thoughtful design. Focused on urban lifestyles and evolving homeowner expectations, this segment delivers condominium projects that offer convenience, comfort, and long-term value. By transforming cityscapes and meeting the demand for vertical living, it plays a key role in enhancing the Group's property portfolio and brand presence in Sri Lanka's real estate market

## CORE COMPETENCIES

### Development, sale & leasing of residential and commercial properties

» Harbour Village (Private) Limited

### HARBOUR VILLAGE (PRIVATE) LIMITED

Harbour Village (Pvt) Ltd is a 66.67% owned subsidiary of Access Engineering PLC, with the remaining stake held by China Harbour Engineering Company Limited (CHEC)\*. The company was established to develop Marina Square – Uptown Colombo, Sri Lanka's largest harbour-front mixed-use complex.

Spanning a total built-up area of over 2.1 million square feet, the development includes 1,088 premium residential condominium units and more than 200,000 square feet of rentable commercial space, all carefully arranged around a vibrant podium and waterfront environment. Of the total footprint, approximately 1.1 million square feet is dedicated to residential use, while 150,000 square feet is allocated for commercial activity, with the balance supporting shared infrastructure and lifestyle amenities.

Strategically located just 400 metres from the Colombo Elevated Expressway and offering panoramic views of the upcoming Port City Colombo, Marina Square reimagines urban luxury living. Residents benefit from an exceptional suite of recreational and wellness facilities, including an infinity pool, clubhouse, games room, indoor and outdoor gyms, and spacious children's play areas. The development also includes two acres of landscaped gardens, complete with jogging and walking tracks, while the integrated commercial zone offers curated retail outlets, a food court, wellness services, and select office spaces – creating a truly self-contained urban ecosystem.

In alignment with international sustainability standards, the project incorporates a wide range of environmentally responsible features. These include energy-efficient lighting and electrical systems, rainwater harvesting infrastructure, and a dedicated sewer line built in collaboration with the Colombo Municipal Council. Additional green technologies – such as EV-charging stations on every parking level, a gravity-fed and VFD-boosted water delivery system, natural ventilation in residential units, and compliant wastewater treatment systems – reinforce Marina Square's commitment to long-term operational efficiency and sustainable urban living.



\*AEL acquired the remaining stake held by China Harbour Engineering Company Limited (33.33%) on the 4th of June 2025. (Refer disclosure in page 322)



## KEY HIGHLIGHTS FOR FY 2024/25

The construction of the five-tower Marina Square development made substantial headway during the year, despite scheduling pressures linked to the shortage of skilled labour in painting and tiling during façade and interior finishing stages. These challenges were addressed through the engagement of qualified foreign labour and targeted training programmes for local teams, ensuring continuity and quality.

While monsoonal weather temporarily disrupted external cladding and landscaping activities, the project team responded with effective rescheduling and the use of extended-hour work shifts, enabling the achievement of all critical construction milestones as planned.

A major enabler of construction efficiency was the adoption of Building Information Modeling (BIM),

with a significant investment of approximately LKR 6.8 billion allocated to oversee Mechanical, Electrical, and Plumbing (MEP) works across the development. This digital integration played a pivotal role in expediting the installation of final fixtures and fittings in all residential units across the five towers.

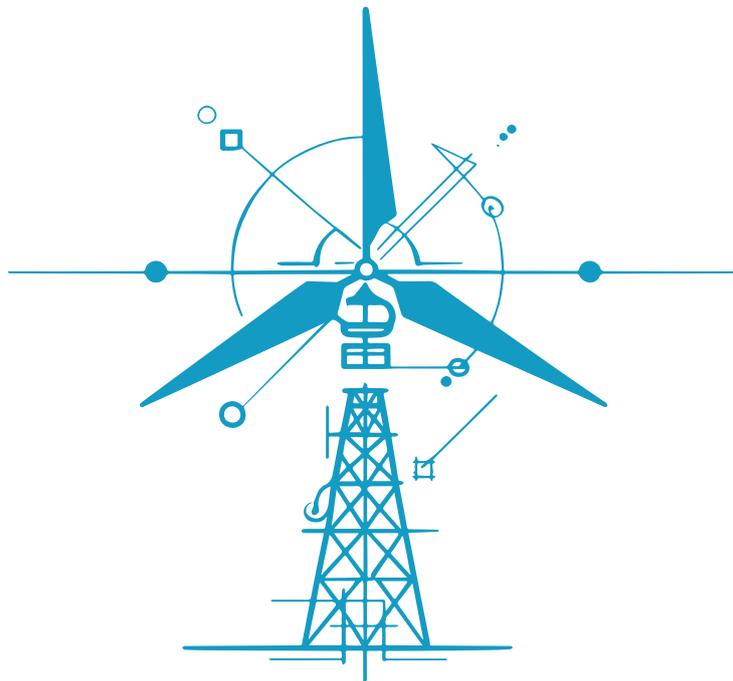
As at 31 March 2025, overall project completion surpassed 80%, marking a major milestone in delivery progress.

In parallel, marketing and promotional activities were significantly ramped up. A multi-channel approach spanning digital campaigns, banking partnerships, and sponsorships of key events such as FACETS 2025 and the Lanka Property Show 2025, was deployed to elevate brand visibility and drive demand. These efforts translated into strong sales momentum, with over 600 residential units sold by the end of the financial year.

## Looking Ahead

With urbanisation accelerating and lifestyle preferences evolving, the Condominium Properties segment is well-positioned to meet the growing demand for high-quality, amenity-rich residential spaces. Backed by strong partnerships and a focus on sustainable design, the segment will continue to drive innovation in vertical living. As Marina Square – Uptown Colombo nears completion, our efforts remain centred on delivering landmark developments that enhance the Group's real estate portfolio, elevate urban experiences, and contribute to the transformation of Colombo's skyline.

# RENEWABLE ENERGY



Through W U S Logistics (Private) Limited and Access Logistics Park Ekala (Private) Limited, we are advancing Sri Lanka's renewable energy landscape with a total installed rooftop solar capacity of 15.8 MW. Our strategic investment in clean energy reflects a long-term commitment to sustainability, energy efficiency, and reducing dependence on fossil fuels—contributing to a greener, more resilient future.

Contribution to Group Revenue

**0.50%**

Share of Group Assets

**2.64%**

Share of Group Liabilities

**3.58%**

## SEGMENT OVERVIEW

The Renewable Energy segment marks a strategic frontier for Access Engineering PLC, reflecting the Group's long-term vision for sustainability, energy resilience, and climate responsibility. As global and national imperatives push for cleaner energy systems, this segment positions Access Engineering at the forefront of Sri Lanka's energy transition through the development and integration of large-scale solar photovoltaic (PV) projects.

## CORE COMPETENCIES

### Development and Operation of Rooftop Solar PV Plants

- » 9.2 MW system at Access Logistics Park, Ekala
- » 6.6 MW system at WUS Logistics Facility, Kimbulapitiya

In line with its decarbonisation agenda and broader environmental commitments, Access Engineering PLC made a significant leap into the renewable energy sector during the financial year 2024/25. This marked not only a diversification of the Group's portfolio but also a bold move towards reshaping the way energy is produced, consumed, and managed across its operations.

The Group's renewable energy journey commenced with the successful commissioning of a 6.6 MW rooftop solar photovoltaic (PV) installation at the Access Industrial and Logistics Park in Kimbulapitiya. Completed within an accelerated four-month timeline, the system comprises 11,850 high-efficiency solar panels rated at 595 W each, paired with 22 inverters of 330 kVA capacity. This installation is

expected to reduce carbon emissions by approximately 6,465 metric tons annually, offering substantial environmental dividends and supporting the Group's commitment to net-zero targets.

Building on this foundation, the Group reached a new milestone by commissioning its second and largest project to date—a 9.2 MW rooftop solar PV plant, the largest single-location rooftop installation in Sri Lanka. Installed across the Group's EGF2 facility, the system comprises 17,269 solar panels of 630 W capacity and 73 inverters rated at 125 kW each. Despite the technical complexity and enhanced safety measures involved, the project was completed within a comparable timeframe to EGF1. The clean energy generated from this flagship project is directly supplied

to the national grid, reinforcing the Group's contribution to national renewable energy capacity and the broader sustainable development agenda.

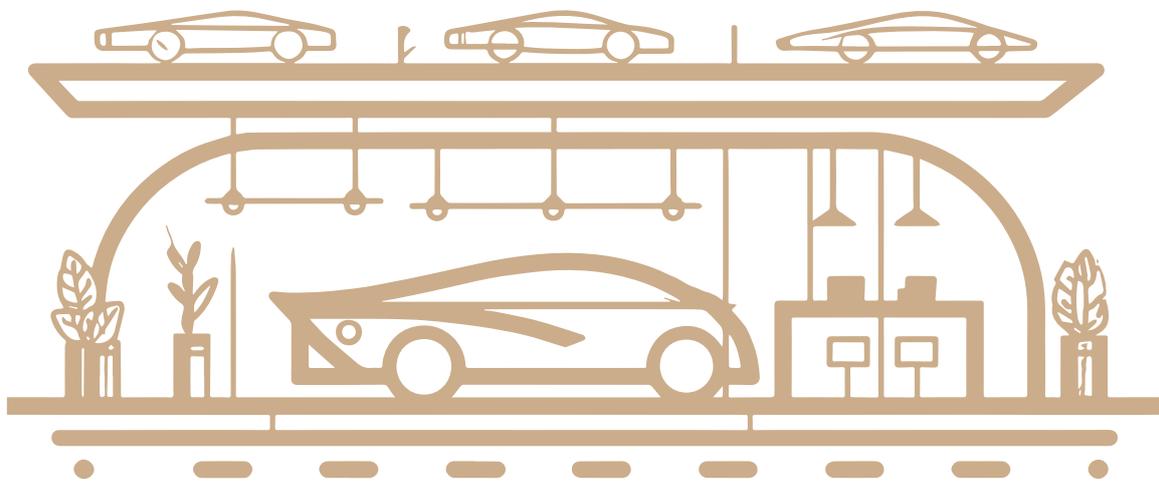
By the end of the financial year, these two installations had collectively generated 5,461,487 kWh of renewable electricity—comprising 3,381,348 kWh from EGF1 and 2,080,139 kWh from EGF2. This output translated into the avoidance of approximately 3,877 metric tons of CO<sub>2</sub> emissions, which is equivalent to planting over 150,000 trees. On an annualised basis, the combined systems are projected to generate 22,521,011 kWh of clean energy and offset approximately 15,989 metric tons of CO<sub>2</sub>, representing a tangible, scalable contribution to Sri Lanka's climate goals under the Paris Agreement.

### Looking Ahead

As Sri Lanka accelerates its transition toward a greener energy future, Access Engineering's Renewable Energy segment is set to play a catalytic role in shaping that journey. Future plans will focus on expanding capacity through new solar installations, exploring grid-scale and off-grid solutions, and integrating energy-efficient technologies across the Group's built environment. With a foundation built on executional excellence, environmental responsibility, and innovation, the segment is well-positioned to scale its impact—supporting both the Group's internal sustainability goals and the country's long-term energy security.



# AUTOMOBILE



Through Sathosa Motors PLC, the authorized distributor of Isuzu vehicles and Access Motors (Private) Limited, the official distributor of Jaguar and Land Rover, we support Sri Lanka's evolving mobility needs with trusted global automotive brands. Our presence in the automobile sector compliments broader infrastructure development-enabling reliable transport solutions, empowering industries and enhancing everyday journeys.

Contribution to  
Group Revenue

8.54%

Share of Group Assets

4.79%

Share of Group Liabilities

3.48%

## SEGMENT OVERVIEW

The Automobile segment encompasses new vehicle sales, spare parts distribution, workshop services, and marine engine sales—serving a broad spectrum of industrial and commercial needs. With a focus on quality, reliability, and after-sales care, this segment supports critical sectors with tailored mobility and equipment solutions. By combining technical expertise with responsive service, it continues to drive value for clients and contributes meaningfully to the Group's diversified business model

## CORE COMPETENCIES

### Sathosa Motors PLC / Access Motors (Private) Limited

- » New Vehicle Sales
- » Sale of Spare Parts
- » Workshop Operations
- » Marine engine sales

### SATHOSA MOTORS PLC

Sathosa Motors PLC (SML) serves as the authorised distributor of Isuzu motor vehicles in Sri Lanka, and plays a prominent role in the island's automotive sector through its vehicle sales, spare parts distribution, and workshop operations. Isuzu remains one of the most recognised and trusted vehicle brands in the country, enabling SML to maintain a strong market share across multiple customer segments.

The company operates through a nationwide footprint of 10 branches, including its flagship showroom on Vauxhall Street and nine additional locations across the island. SML's aftersales service network is anchored by three major workshops in Vauxhall Street, Peliyagoda, and Kurunegala, providing essential maintenance and repair services. Its market reach is further amplified through a robust network of over 120 authorised dealers, who are instrumental in distributing Isuzu spare parts and components islandwide.



### KEY HIGHLIGHTS FOR FY 2024/25

After nearly four years of import restrictions, the Sri Lankan government lifted the ban on vehicle imports in February 2025, triggering an immediate and positive shift in the local automobile landscape. For SML, this policy change led to a sharp expansion in its order book during the fourth quarter, as the company began clearing a substantial backlog of previously deferred orders. The reopening of the vehicle market also created room for strategic diversification, enabling the company to explore opportunities to broaden its spare parts portfolio beyond the Isuzu brand.

These developments translated into a significant improvement in financial performance. SML recorded revenue of LKR 1.8 billion for FY 2024/25 while profit before tax rose more than five-fold, reaching LKR 419 million, up from LKR 73 million in the previous financial year.

However, labour shortages, particularly the outmigration of skilled automotive technicians, continued to impact workshop operations. In response, SML implemented a multi-pronged approach to talent retention, emphasising employee development, targeted technical training, and industrial internship programmes to ensure long-term workforce sustainability.

Demonstrating its ongoing commitment to environmental responsibility, SML invested approximately LKR 57 million in a 500 kW rooftop solar photovoltaic system at its Peliyagoda workshop. Commissioned during the year, the installation is expected to reduce the facility's dependence on grid electricity and improve its overall operational efficiency.

Adding to a year of progress, Sathosa Motors PLC was recognised at the CPM Best Management Practices Awards 2025, a prestigious industry honour that highlights the company's leadership in automotive distribution and ongoing commitment to service excellence.

## AUTOMOBILE

### ACCESS MOTORS (PRIVATE) LIMITED

As the exclusive authorised agent for Jaguar Land Rover in Sri Lanka, Access Motors (Pvt) Ltd operates a cutting-edge 3S showroom located in Boralessgamuwa, offering a comprehensive suite of services that span the sale of new and pre-owned vehicles, expert workshop maintenance, bodyshop repairs, and the distribution of genuine spare parts and accessories. In close collaboration with Jaguar Land Rover teams based in the UK and Singapore, the Company consistently upholds manufacturer-approved engineering standards, utilizes genuine parts, and employs advanced diagnostics – all designed to ensure that every customer experience reflects the global prestige and modern luxury synonymous with the Jaguar Land Rover brand



## KEY HIGHLIGHTS FOR FY 2024/25

Despite the continued vehicle import restrictions that prevailed for most of the year, Access Motors demonstrated resilience and delivered a commendable financial performance. By proactively navigating the constraints, the Company capitalised on opportunities within the approved car sales segment to maintain its momentum.

Looking ahead, Access Motors marked a significant milestone with the introduction of the 2025 Model Year Range Rover in December 2024, launched through Jaguar Land Rover's Indonesian agent. This exclusive unveiling event provided prospective customers with an immersive, first-hand experience of the new model, reinforcing the brand's enduring premium positioning in the luxury automotive market.

Following the official government announcement that the vehicle import ban would be lifted effective February 1, 2025, Access Motors swiftly initiated an aggressive pre-sales campaign. Potential buyers were invited to register their interest ahead of the market reopening, while supply chain channels were promptly activated to facilitate direct orders through Jaguar Land Rover's order bank in preparation for the anticipated surge in demand. Complementing these efforts, the Company forged a strategic partnership with Assetline Insurance Brokers to enhance the customer journey by integrating

comprehensive, in-house vehicle insurance services. A dedicated Assetline representative is now permanently stationed at the 3S showroom, offering personalised guidance and seamless support in securing tailored insurance solutions.

In anticipation of a heightened post-import resumption service demand, Access Motors undertook a major expansion of its workshop facilities, increasing capacity to 25 service bays and 20 ramps. This development was accompanied by a significant investment in renewable energy, with the installation of solar panels at both the showroom and bodyshop facilities. With solar capacities of 200kW and 100kW respectively, these initiatives not only reduce the Company's carbon footprint and operational costs but also highlight its commitment to sustainable business practices and alignment with the nation's green economy transition.

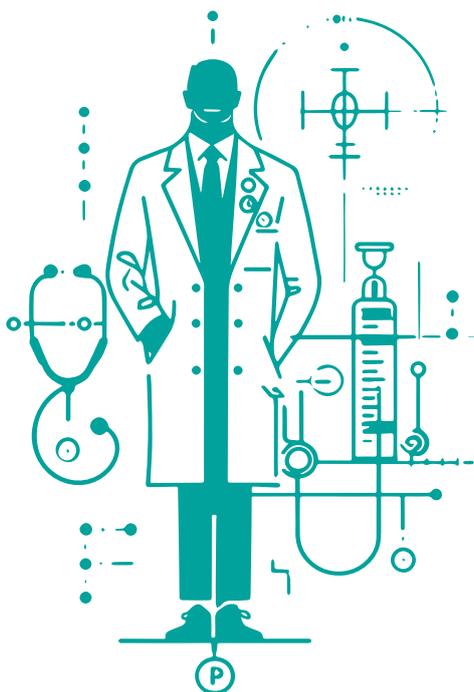
To optimise internal efficiencies and reduce overheads, a strategic decision was made to consolidate all auto detailing operations. Consequently, the standalone auto detailing centre on Kirimandala Mawatha was phased out, with services now fully integrated at the Ratthanapitiya Body Shop from 2024. To elevate the quality and value of its auto detailing offerings, Access Motors partnered with Axalta, a global leader in refinishing solutions, to introduce STANDO and STANDO BLUE – premium waterborne paint systems acclaimed for their exceptional quality, durability, and world-class finishes

### Looking Ahead

With the easing of import restrictions and a renewed outlook for the automotive sector, the Automobile segment is well-positioned to capitalise on emerging opportunities across both commercial and luxury vehicle markets. Anchored by trusted brand partnerships, a resilient after-sales network, and growing customer demand, the segment will continue to strengthen its market presence through product diversification, enhanced service delivery, and expanded customer engagement.

As mobility needs evolve and sustainability becomes a key priority, the segment remains focused on operational efficiency, workforce development, and green investments—reinforcing its commitment to responsible growth. Backed by technical expertise and a customer-centric approach, the Automobile segment is set to play an increasingly strategic role in supporting the Group's diversified growth trajectory and advancing modern mobility solutions in Sri Lanka

# RADIOPHARMACEUTICAL



As Sri Lanka's first radiopharmaceutical company, Access Medical Tracers produces Fluoro-Deoxy-Glucose (FDG) – a critical compound essential for advanced cancer detection. Our innovative work enhances diagnostic accuracy, supporting life-saving medical care nation-wide.

Contribution to  
Group Revenue

-

Share of Group Assets

0.48%

Share of Group Liabilities

0.04%

## SEGMENT OVERVIEW

The Radiopharmaceutical segment represents Access Engineering's expansion into high-tech cancer care infrastructure. Focused on the production and distribution of medical isotopes, this segment plays a supporting role in Sri Lanka's nuclear medicine supply chain. By contributing to the advancement of medical technology in Sri Lanka, it reflects the Group's commitment to innovation, diversification, and delivering impact beyond infrastructure.

## CORE COMPETENCIES

### Access Medical Tracers (Private) Limited

#### ACCESS MEDICAL TRACERS (PRIVATE) LIMITED

Marking a significant leap into Sri Lanka's private healthcare sector, Access Medical Tracers (Pvt) Ltd is a pioneering joint venture led by Access Engineering PLC with a 60% stake, alongside Access International (20%), the Sri Lanka Atomic Energy Board (10%), and the Ministry of Health (10%). At the heart of this collaboration lies a bold ambition – to establish the country's first home-grown radiopharmaceutical production facility.

The Company's initial focus is the manufacture of Fluorodeoxyglucose (FDG), a critical tracer used in PET imaging for cancer diagnosis and treatment planning. By localising production, this landmark initiative seeks to reduce the nation's dependence on imports, enhance the speed and affordability of critical diagnostic services, and reinforce Sri Lanka's nuclear medicine capabilities in a meaningful and lasting way.



# RADIOPHARMACEUTICAL

## KEY HIGHLIGHTS FOR FY 2024/25

During the year, Access Medical Tracers reached several foundational milestones that laid the groundwork for commercial operations. Most notably, the Company successfully secured and signed the Build-Own-Operate (BOO) project tender and the Shareholder Agreement for the FDG production facility from the Sri Lanka Atomic Energy Board. With detailed architectural and engineering plans finalised and all necessary pre-construction approvals in place, the Company moved ahead with placing orders for a state-of-the-art cyclotron system from GE Healthcare – the technological core of the facility.

Innovation and digital transformation were central to the project's development. For the first time in Sri Lanka, Building Information Modeling (BIM 360) was used to integrate structural, architectural, and MEP (mechanical, electrical, and plumbing) systems into a unified, collaborative digital platform. This enabled real-time visibility, enhanced precision, and seamless stakeholder coordination throughout the project lifecycle. Parallel to this, procurement was digitised through SAP Ariba, where reverse auctions helped secure competitive pricing and transparent supplier engagement. By the close of the

financial year, most major procurements – including all MEP systems – were completed, setting the stage for operations to commence in FY 2025/26.

Like any groundbreaking venture, the journey was not without its challenges. One key obstacle was the scarcity of local expertise in cyclotron technology and radiopharmaceutical production. To bridge this gap, Access Medical Tracers actively engaged international specialists to work alongside in-house teams, facilitating vital knowledge transfer and ensuring technical readiness for the installation and commissioning phases.

Another significant hurdle stemmed from the novelty of the facility itself: local regulators had never before assessed a project of this nature. To address this, the Company adopted a collaborative approach, partnering with the Sri Lanka Atomic Energy Regulatory Council and the Atomic Energy Board to host a series of technical workshops and guided walkthroughs. These sessions familiarised relevant authorities with the safety protocols, facility design, and operational requirements, ultimately expediting regulatory approvals while maintaining the highest standards of compliance.

## Looking Ahead

With its strategic foundations firmly in place, the Radiopharmaceutical segment is well-positioned to support the advancement of nuclear medicine in Sri Lanka. Leveraging strong cross-sector partnerships, cutting-edge technology, and a commitment to healthcare innovation, the segment will continue to play a transformative role in enhancing diagnostic capabilities nationwide. By strengthening healthcare infrastructure and enabling the local production of essential isotopes, the segment reflects the Group's commitment to innovation-led growth and delivering high-impact solutions beyond traditional infrastructure.

# WAY FORWARD

Over the past two decades, our strategic direction has served as a cornerstone for driving sustained business growth and reinforcing operational resilience. In light of the dynamic and often unpredictable macroeconomic landscape, we remain committed to continuously evolving our strategy to ensure its relevance and effectiveness.

Our approach to strategy formulation has matured significantly over the years. Today, we take a broader and more integrated view – extending beyond immediate risks to encompass emerging and frontier risks that could shape our future performance and long-term prospects. Insights drawn from our SWOT and PESTEL analyses have been instrumental in identifying new growth avenues, helping us adapt our business verticals to preserve their competitive advantage and position them for sustainable expansion over the medium to long term.

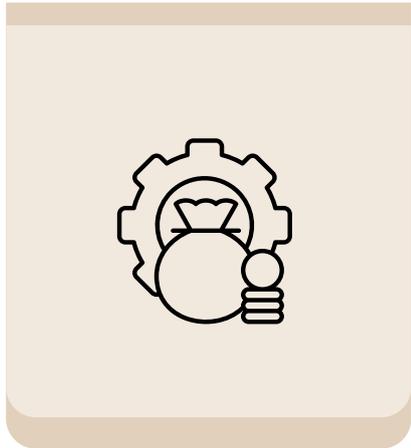
<b>Civil Engineering and Construction Related Material</b>	
Short Term	<ul style="list-style-type: none"> <li>» Ensure timely completion of all ongoing projects, adhering to revised schedules where applicable</li> <li>» Streamline and restructure business units to maximize resource efficiency</li> <li>» Drive knowledge enhancement across project teams</li> <li>» Strengthen strategic partnerships</li> </ul>
Medium Term to Long Term	<ul style="list-style-type: none"> <li>» Selective expansion of the project pipeline to areas of expertise and where there is growth potential</li> <li>» Promote cross-utilization of resources within the Group to optimize knowledge transfer and subsidiary management</li> <li>» Increase investment in training &amp; development</li> </ul>
<b>Mechanical Engineering</b>	
Short Term	<ul style="list-style-type: none"> <li>» Increase presence in alignment with Colombo Port development</li> <li>» Sustain and stabilize existing operations in port equipment and machinery services</li> <li>» Enhance staff training and development</li> </ul>
Medium Term to Long Term	<ul style="list-style-type: none"> <li>» Strengthen overseas footprint in port equipment maintenance</li> <li>» Secure long-term service contracts with international terminal operators to ensure revenue continuity</li> </ul>
<b>Properties – Commercial office spaces and warehouses</b>	
Short Term	<ul style="list-style-type: none"> <li>» Continue to enhance tenant experience at Access Tower I, II and at Logistics park Ekala &amp; Kimbulapitiya.</li> <li>» Continue development of commercial areas at Access Tower III, within the public carpark facility at Union Place</li> </ul>
Medium Term to Long Term	<ul style="list-style-type: none"> <li>» Further engagement in logistics and warehousing, targeting multi country consolidation &amp; exports</li> <li>» Engage in PPP-based commercial real estate projects</li> </ul>
<b>Condominium Properties</b>	
Short Term	<ul style="list-style-type: none"> <li>» Completion and commencement of commercial operations at Marina Square Uptown Colombo</li> </ul>
Medium Term to Long term	<ul style="list-style-type: none"> <li>» Actively pursue new condominium development projects, aligned with emerging urban demand</li> <li>» Participate in PPP-based condominium developments</li> </ul>
<b>Automobile</b>	
Short Term	<ul style="list-style-type: none"> <li>» Capitalize on pent up demand for automobiles (passenger &amp; commercial) following the relaxation of vehicle import restrictions</li> </ul>
Medium Term to Long term	<ul style="list-style-type: none"> <li>» Expand after sales service including the spare part sales and workshop operations</li> <li>» Invest in employee knowledge and technical excellence</li> <li>» Strengthen customer loyalty and goodwill through improved service experiences</li> </ul>
<b>Renewable Energy</b>	
Short Term	<ul style="list-style-type: none"> <li>» Commissioning of rooftop solar energy generation</li> </ul>
Medium Term to Long term	<ul style="list-style-type: none"> <li>» Explore and engage in other potential investments in renewable energy</li> </ul>
<b>Radiopharmaceutical</b>	
Short Term	<ul style="list-style-type: none"> <li>» Begin development work on the radiopharmaceutical production facility</li> </ul>
Medium Term to Long term	<ul style="list-style-type: none"> <li>» Ensure timely and compliant completion of facility construction</li> <li>» Ensure timely availability of essential radiopharmaceuticals for the medical industry.</li> <li>» Explore potential exports of radiopharmaceutical products in region</li> </ul>

# CAPITAL OVERVIEW

Access Engineering PLC adopts the Integrated Reporting <IR> Framework to classify its six capitals, which are essential to value creation, preservation, and transformation. The interaction between these capitals drives our business performance and enables us to generate sustainable long-term value for stakeholders. This section outlines how each capital is managed, enhanced, and strategically aligned to AEL's continued success and resilience.



# FINANCIAL CAPITAL



## Management Approach

At Access Engineering PLC (AEL), our financial capital is managed with a focus on sustainability, stability, and long-term value creation. We ensure disciplined financial planning, prudent cost management, and effective capital allocation to support business growth and shareholder returns. By maintaining a strong balance sheet, optimizing working capital, and securing diverse funding sources, we enhance our financial resilience and capacity to invest in strategic opportunities.



## Material Matters

- » Revenue Stability and Growth
- » Cost Management
- » Liquidity and Cash Flow
- » Competitive Position



## Inputs

- » Total Equity - **LKR 43 Bn**
- » Debt Financing - **LKR 28 Bn**



## Highlights for FY 2024/25

- » Achieved **LKR 35 Bn** in Group Revenue, marking a **61% YoY** growth
- » Delivered Group Profit after tax of **LKR 6.3 Bn**
- » Improved Group Return on Capital Employed (ROCE) to **13.5%**, indicating enhanced capital efficiency
- » Group Total Assets increased to **LKR 110 Bn**, reflecting growth in diversified investments
- » Declared a dividend of **LKR 2 Bn**, underscoring the Company's continued commitment to delivering value to shareholders.

## Outcomes / Outputs

Outputs for AEL and Impact on Other Capitals	Stakeholder Impacted	Impact on Capitals	SDG(s) with Targets
Sustained revenue growth across core sectors	Shareholders		<p><b>SDG 8.2</b> – AEL contributes to higher levels of economic productivity by expanding its core operations through innovation and construction technology.</p> <p><b>SDG 9.2</b> – AEL promotes sustainable industrialization through infrastructure projects that enhance national capacity.</p>
Prudent cost management and margin protection	Shareholders		<p><b>SDG 8.4</b> – AEL strengthens internal efficiency, ensuring responsible use of financial and material resources.</p> <p><b>SDG 12.2</b> – AEL supports sustainable consumption through disciplined project budgeting and procurement.</p>
Regular and consistent dividend distribution	Shareholders		<p><b>SDG 8.5</b> – AEL's dividend policy supports financial well-being for shareholders, reflecting fair returns on investment.</p>
Capital investment in strategic growth areas	Government, Clients and customers	 	<p><b>SDG 9.1</b> – AEL's investments in transport and urban infrastructure contribute to sustainable development and access to services.</p> <p><b>SDG 11.3</b> – AEL plays a role in shaping sustainable urban growth through smart infrastructure solutions.</p>

# FINANCIAL CAPITAL

Outputs for AEL and Impact on Other Capitals	Stakeholder Impacted	Impact on Capitals	SDG(s) with Targets
Access to affordable financing and credit facilities	Banks and prospective lenders	 + 	<p><b>SDG 8.3</b> – AEL leverages financial partnerships to expand operations and support entrepreneurship through subcontractor engagement.</p> <p><b>SDG 17.3</b> – AEL mobilizes financial capital through diverse funding sources to drive national infrastructure goals.</p>

## OVERVIEW

Access Engineering PLC relies on its financial capital, the monetary resources that are strategically managed to support value creation across our operations. Effectively identifying and managing financial risks is essential to sustaining long-term value for our shareholders. Over the past year, we focused on maintaining financial stability by securing the required funding to support uninterrupted operations and preserve strong liquidity.

## REVENUE GROWTH

Amid continued economic challenges, AEL achieved a revenue of LKR 34,511 Mn at the Group level and LKR 29,321 Mn at the Company level, reflecting year-on-year growth of 60.51% and 60.02%, respectively. The Group navigated the downturn by maintaining its focus on core infrastructure operations, executing key national projects, and protecting profit margins through internal efficiency improvements rather than reactive cost reductions. In addition, Access Engineering expanded into new business segments, including Renewable energy and healthcare infrastructure, to address evolving market needs and capture emerging opportunities. These strategic initiatives, aligned with the Group's environmental, social, and governance (ESG) commitments, aim to diversify revenue streams, enhance

### At a Glance

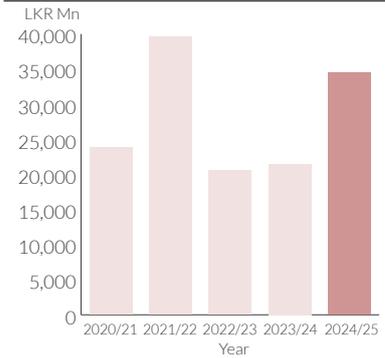


sustainability, and strengthen resilience in a dynamic economic environment.

The increase in Group revenue was primarily driven by the Civil Engineering and the Sale of Construction-Related Materials, which recorded a year-on-year growth of 76.15% and 53.62%, respectively, compared to the previous year. These two business segments significantly boosted their contribution to the Group, collectively accounting for a substantial 81% of the Group's revenue for the financial year 2024/25.

Other major contributors to the Group's revenue included the Properties (Commercial Offices and Warehouses) segment, which recorded a year-on-year revenue growth of 20.13%. Meanwhile, the Automobiles sector also posted a year-on-year increase in revenue, growing by 36.77%.

### Revenue



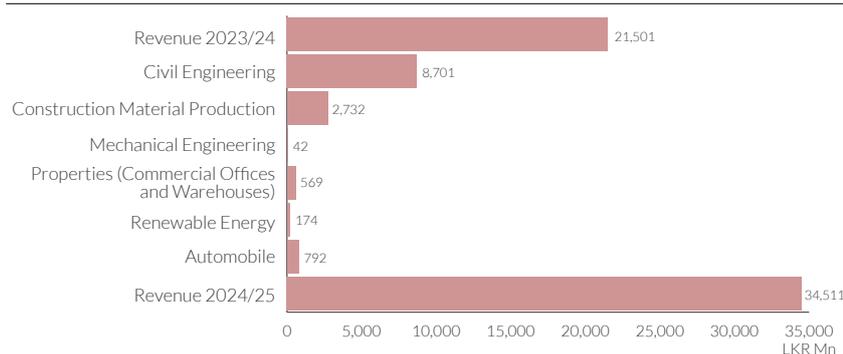
### GROSS PROFIT

**GROSS PROFIT**  
**LKR 11,896 Mn**

**MARGIN**  
**34%**

The group reported a gross profit of LKR 11,896 Mn for the financial year ended 31st March 2025, reflecting a 61.73% increase from LKR 7,356 Mn in the previous year. The company's gross profit margin for the same period was 27%. This achievement underscores Access Engineering's commitment to enhancing profitability through strategic initiatives, including lower direct cost from vertical integration and innovation. Efficient project execution and strategic investment in high margin areas further boosted profitability and financial resilience.

### Revenue Movement



## SEGMENT PERFORMANCE

Segments	YoY Revenue Growth	YoY Asset Growth
Civil Engineering	76%	2%
Construction	54%	-1%
Material production		
Mechanical Engineering**	100%	100%
Commercial offices	16%	7%
Commercial warehouses	22%	-4%
Condominium Properties*	-	26%
Renewable Energy**	100%	100%
Automobile	37%	22%
Radiopharmaceutical*	-	100%

\* Revenue from condominium properties and radiopharmaceutical operations has not yet been recognized as these operations have not commenced.

\*\*Mechanical Engineering and Renewable Energy are newly introduced segments

### Civil Engineering

REVENUE	
LKR 20,126 Mn	
GROWTH	GROUP
76%	58%

### Building and Other Construction

The building and other construction segment emerged as the leading contributor to Group revenue, accounting for 45.21% of total revenue and recording an impressive year-on-year growth of 104.3%. This growth was primarily driven by ongoing projects West Container Terminals, the Marina Square Mixed Development Project made notable strides during the year, The Elliot Place Housing Project, which had been suspended in July 2022 due to the economic downturn, recommenced during the year under revised terms and collaboration with Dialog Broadband Networks also progressed well. A significant achievement during the year was the successful completion of the Preschool and Cultural Centre for Shinnyo-En Lanka.

### Roads and Highway construction

The Roads and Highways generated LKR 2,469 Mn, accounting for 7.16% of the Group's revenue for the financial year 2024/25. Revenue increased by around LKR 565 million compared to the previous year, YoY growth of 30%. A key driver of this growth was the construction work on the Central Expressway Project section III, spanning from Pothuhera to Galagedara and Nittambuwa-Pasyala Road project.

### Bridge Construction

The Bridge Construction recorded a remarkable 114% year-on-year growth, primarily driven by the completion of key projects such as the Kohuwela Flyover funded by the Government of Hungary and finalized in August 2024, alongside the ongoing construction of the Baladaksha Mawatha flyover.

Revenue increased by approximately LKR 502 Mn compared to the previous year, contributing 2.73% to the Group's total revenue for the financial year.

### Construction Material Production

REVENUE	
LKR 7,826Mn	
GROWTH	GROUP
54%	23%

Construction-related material sales represented the second-largest share of the Group's revenue, contributing 22.68% to total revenue. However, the segment recorded a year-on-year growth of 53.62% compared to the previous year. Despite challenging market conditions, the segment generated LKR 7,826 Mn in revenue, primarily through the sale of asphalt product, crusher product, quarry product and ready-mix concrete to both external customers and affiliated companies. Efficiency improvements led to a significant reduction in energy consumption over the past decade, enhancing both cost efficiency and environmental sustainability.

### Mechanical Engineering

REVENUE	
LKR 42Mn	
GROWTH	GROUP
100%	0.12%

The Mechanical engineering segment support maritime sector with advanced services, including equipment handling for CWIT and CICT Ports. In line with its growing presence in the port services sector, The Group established Access Engineering Port Services (Pvt) Ltd (AEPS) in 2024 (fully owned subsidiary of AEL). AEPS currently provides end-to-end maintenance services at Colombo West International Terminal (CWIT), while also emerging as a key supplier of critical spare parts to multiple terminals in Sri Lanka, with ambitions to expand regionally

### Properties – Commercial Office spaces

REVENUE	
LKR 1,176Mn	
GROWTH	GROUP
16%	3%

In the commercial office category, Access Towers I and II remain fully occupied. Tower II stands out with a 95% usable floor area, offering superior efficiency and strategic appeal due to its energy-conscious design. Strengthening its presence in urban infrastructure, the Group also successfully completed and commenced operations of the Union Place multi-storey car park. Delivered under a DBFOT (Design, Build, Finance, Operate, and Transfer) agreement with the Urban Development Authority, this eight-storey facility integrates parking with retail and office space, easing congestion in central Colombo while demonstrating the Group's ability to deliver multifunctional, public-private infrastructure solutions.

# FINANCIAL CAPITAL

## Properties – Commercial warehouses

REVENUE <b>LKR 2,219Mn</b>	
GROWTH <b>22%</b>	GROUP <b>6%</b>

In commercial warehousing, the Group cemented its position as a market leader with large-scale facilities in Kimbulapitiya and Ekala Ja-Ela. Compared to the previous year the Property Segment’s contribution to Group revenue records a slight decrease, from 8.44% to 6.43%.

These developments represent nearly a quarter of the country’s warehousing capacity and reflect a scalable, integrated delivery model.

## Condominium Properties

Under condominium properties, Harbour Village (Private) Limited recorded over 600 sales out of 1,068 units. Despite economic headwinds, the company maintained strengthening brand reputation and customer trust. The segment continues to reflect resilient demand for well-positioned, high-quality urban living spaces, with a focus on long-term value creation and lifestyle-driven design that aligns with evolving market expectations. At the end of the financial year, the project reached 70% overall completion and is anticipated to be finished by December 2025.

## Automobile

REVENUE <b>LKR 2,947Mn</b>	
GROWTH <b>37%</b>	GROUP <b>9%</b>

The automobile sector accounted for LKR 2,947 Mn, representing 8.54% of the Group’s total revenue for the financial year 2024/25. By leveraging Sathosa Motors PLC and our 50% ownership in Access Motors (Private) Limited, we effectively sustained the business despite import restrictions. Emphasis was placed on after-sales

services, optimizing inventory, and enhancing customer relationships, enabling us to maintain profitability. With the reopening of import channels, both companies are well-positioned to benefit from the resurgence in demand, backed by upgraded systems and stronger customer networks.

## Renewable energy

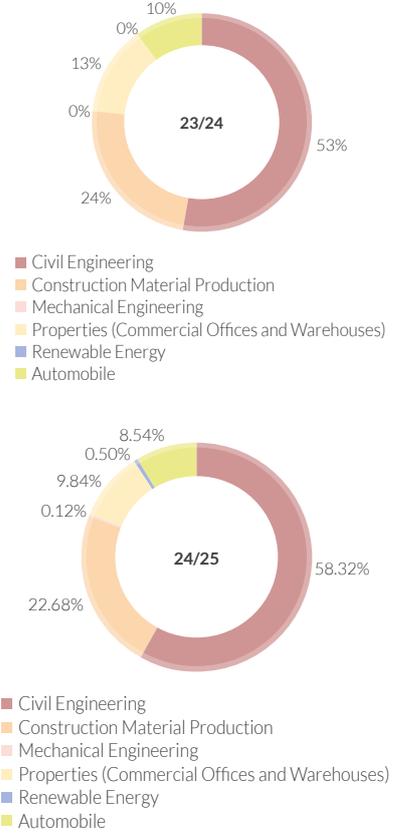
REVENUE <b>LKR 174Mn</b>	
GROWTH <b>100%</b>	GROUP <b>0.50%</b>

Our warehouses generate 15.8 Mw of solar power, supporting ESG goals and long-term efficiency by integrating solar systems early in the design process. The renewable energy sector accounted for LKR 174 Mn, representing 0.5% of the Group’s total revenue for the financial year 2024/25. As sustainability becomes central to future growth, the Group’s ongoing investment in clean energy infrastructure reflects a strategic commitment to responsible business and energy resilience.

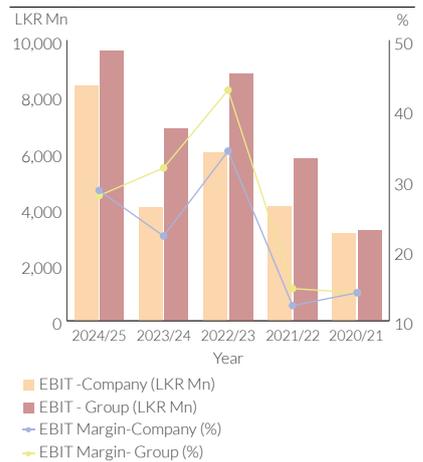
## Radiopharmaceutical

The Radiopharmaceutical segment represents a strategic new business vertical launched during the financial year under review. Through the establishment of Access Medical Tracers (Private) Limited, Access Engineering PLC made its entry into the high-value healthcare and life sciences sector, positioning itself as a pioneer in the production of radiopharmaceuticals used in cancer diagnostics and treatment. Although the venture is in its early stages and has not yet contributed materially to Group revenue, it marks a transformational step in our diversification strategy—aligning the Company with national healthcare priorities and the growing regional demand for nuclear medicine. This investment underscores Access Engineering’s commitment to long-term value creation through innovation, social impact, and forward-looking growth.

## Segmental Revenue Composition



## Earnings Before Interest and Tax (EBIT)



## FINANCE EXPENSES

Interest expenses as a percentage of revenue saw a notable decline, dropping to 6.77% at the Group level (from 13.89% in 2023/24) and to 7.95% at the Company level (from 12.53% in the previous year).

Total finance costs amounted to LKR 2,338 Mn for the Group and LKR 2,331 Mn for the Company. Finance income during the year stood at LKR 621 Mn for the Group and LKR 147 Mn for the Company.

One of the reasons for the decrease in net finance expense was the monetary policy stance of the Central Bank of Sri Lanka, which resulted in the AWPLR declining from 10.56% at the beginning of the financial year to 8.43% by year-end.

As a result of these changes, the Group's interest coverage ratio improved from 3 times to 5 times, while the Company's ratio increased from 2 times to 7 times for the financial year 2024/25.

### PROFIT BEFORE TAX

In the financial year 2024/25, the Group recorded a profit before tax of LKR 7,784 Mn, reflecting a significant increase of 81% compared to LKR 4,305 Mn in 2023/24. The Company also demonstrated strong performance, with profit before tax rising to LKR 6,125 Mn in 2024/25 from LKR 2,195 Mn in the previous year with an impressive year-on-year growth of 179%. This substantial improvement underscores robust operational efficiency and strategic execution across both the Group and the Company.

### TAXATION GRI 207-1.2.3

AEL has consistently upheld its responsibility as a corporate citizen by paying due taxes and contributing to the nation's development. For the year under review, the Group reported an income tax expense of LKR 1,492 Mn, compared to an income tax reversal of LKR 2,549 Mn in the previous financial year 2023/24. At the Company level, an income tax expense of LKR 1,578 Mn was recognised, increasing from an expense of LKR 650 Mn reported in 2023/24.

For the financial year 2024/25, the effective tax rates were 19.2% at the Group level and 25.76% at the Company level, compared to -59.2% and 29.61% respectively in 2023/24.

AEL adheres to all applicable tax regulations and maintains a compliant, transparent approach to tax reporting. The Group's tax contributions also include indirect taxes such as VAT, SSCL, WHT, PAL, CESS, and Custom Duty, further reflecting its commitment to national development.

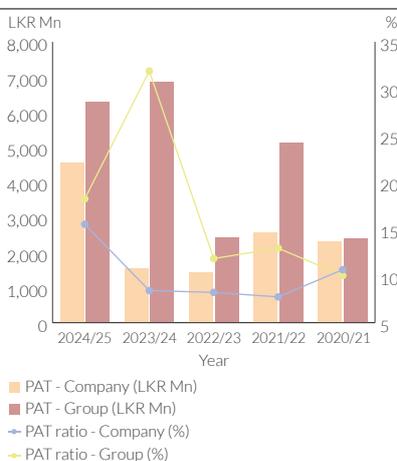
The reconciliation between accounting profit and taxable income is available in Note 9.2 to the Financial Statements.

### PROFIT AFTER TAX

For the financial year 2024/25, the Group and the Company recorded net profit of LKR 6,291 Mn and LKR 4,547 Mn, respectively. As a result, the net profit margin declined to 18.23% for the Group (up from 31.88% in 2023/24) and to 15.51% for the Company (higher than 8.43% reported in the previous year).

Segments	Contribution to Group PAT	PAT Growth
Civil Engineering	48.60%	234.61%
Construction		
Material Production	10.79%	105.27%
Mechanical Engineering	1.98%	59.05%
Commercial Offices	8.81%	-45.73%
Commercial Warehouses	16.15%	-75.15%
Condominium Properties	-1.31%	-33.59%
Renewable Energy	10.83%	-
Automobile	4.16%	161.72%

### Profit after Tax (PAT)



### EARNINGS PER SHARE (EPS) & DIVIDENDS PER SHARE (DPS)

Earnings per share (EPS) recorded LKR 6.31 at the Group level, from LKR 6.86 from the previous year, while at the Company level, it increased to LKR 4.55 from LKR 1.54. During the year under review, the Company's Board of Directors approved a final dividend of LKR 2.00 per share, based on the profits from the 2024/25 financial year, resulting in a total dividend payout of LKR 2,000 Mn.

### EPS and DPS



### RETURN ON CAPITAL EMPLOYED (ROCE)

The Group and the Company were able to sustain benchmark profit margins and achieve a year-on-year increase in ROCE to 13.47% and 19.03% at the Group and Company levels respectively, compared to 11.15% and 10.06% in 2023/24. This performance, achieved amid a highly volatile external environment, demonstrates the strength and effectiveness of their business contingency strategies.

### OTHER COMPREHENSIVE INCOME

Other comprehensive income for the financial 2024/25 amounted to a net loss of LKR 16.5 Mn at Group level (2023/24: LKR 82.5 Mn loss), primarily due to actuarial losses of LKR 23.5 Mn (2023/24: LKR 119.8 Mn) related to the remeasurement of defined benefit obligations. This was partially offset by a related tax gain of LKR 7.1 Mn and a minor fair value loss on unquoted equity investments. Additionally, a foreign currency translation loss of LKR 0.04 Mn was recorded during the year. No revaluation gains were recognized in the current or prior year.

# FINANCIAL CAPITAL

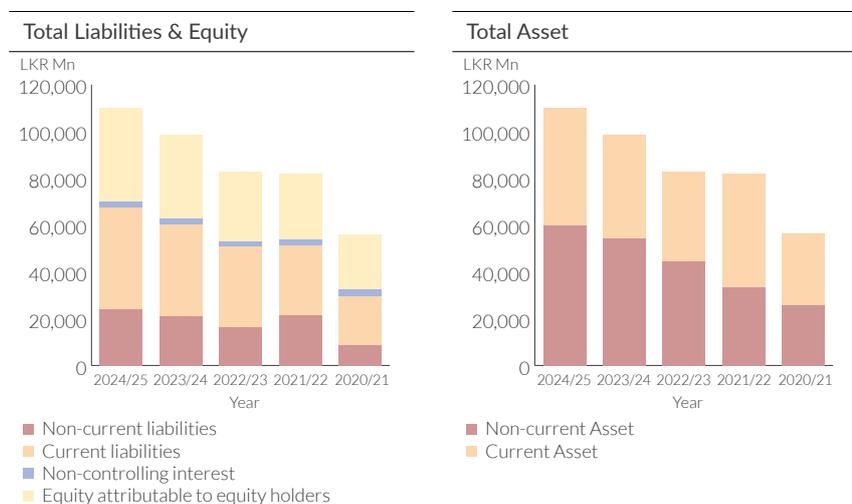
## LIQUIDITY POSITION

	2024/25 LKR	2023/24 LKR	Change %
<b>Group</b>			
Inventory	25,193,767,102	20,341,289,862	24
Trade and other Receivable	18,807,497,447	15,737,123,037	20
Trade and other Payable	32,015,164,690	34,061,155,273	(6)
<b>Company</b>			
Inventory	2,735,111,351	2,923,636,459	(6)
Trade and other Receivable	11,822,381,264	9,509,405,510	24
Trade and other Payable	10,010,153,368	13,602,191,921	(26)

Maintaining a healthy current ratio and quick asset ratio continues to be a key focus in the Group's liquidity management strategy. The Group and Company recorded a current ratio of 1.16 times and 1.51 times. Quick ratio of 0.58 times and 1.34 times as at 31 March 2025, reflecting its commitment to preserving short-term financial stability.

## GROUP FINANCIAL POSITION

The Group maintained a strong financial position, with total assets of LKR 109,979 Mn and total liabilities of LKR 67,266 Mn as at 31st March 2025, compared to total assets of LKR 98,532 Mn and total liabilities of LKR 60,289 Mn as at 31st March 2024.

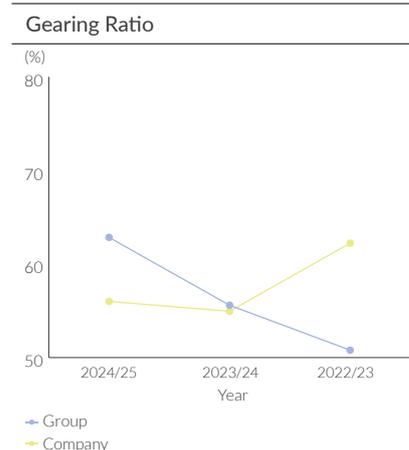


## AEL EQUITY PERFORMANCE

The market performance of Access Engineering PLC's share demonstrated strong growth during the financial year ended 31 March 2025. The share price reached a high of LKR 43.20 on 18 February 2025 and traded within a range of LKR 19.40 to LKR 43.20 over the year. The closing price as at 31 March 2025 was LKR 38.50, reflecting a significant increase from LKR 22.60 recorded at the end of the previous financial year. As at 31 March 2025, the Company's market capitalisation stood at LKR 38.5 Bn.

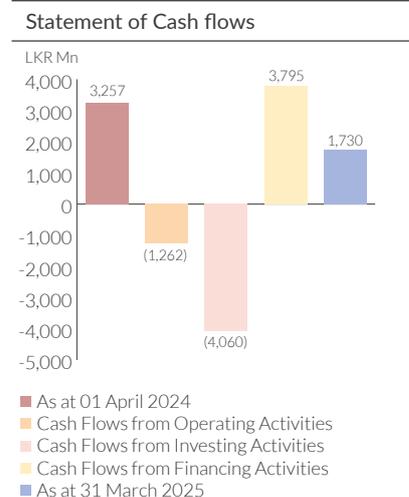
## GEARING

The gearing ratio, defined as the ratio of total interest-bearing liabilities to equity, rose from 55.59% to 62.84% at the Group level and from 54.95% to 56% at the Company level.



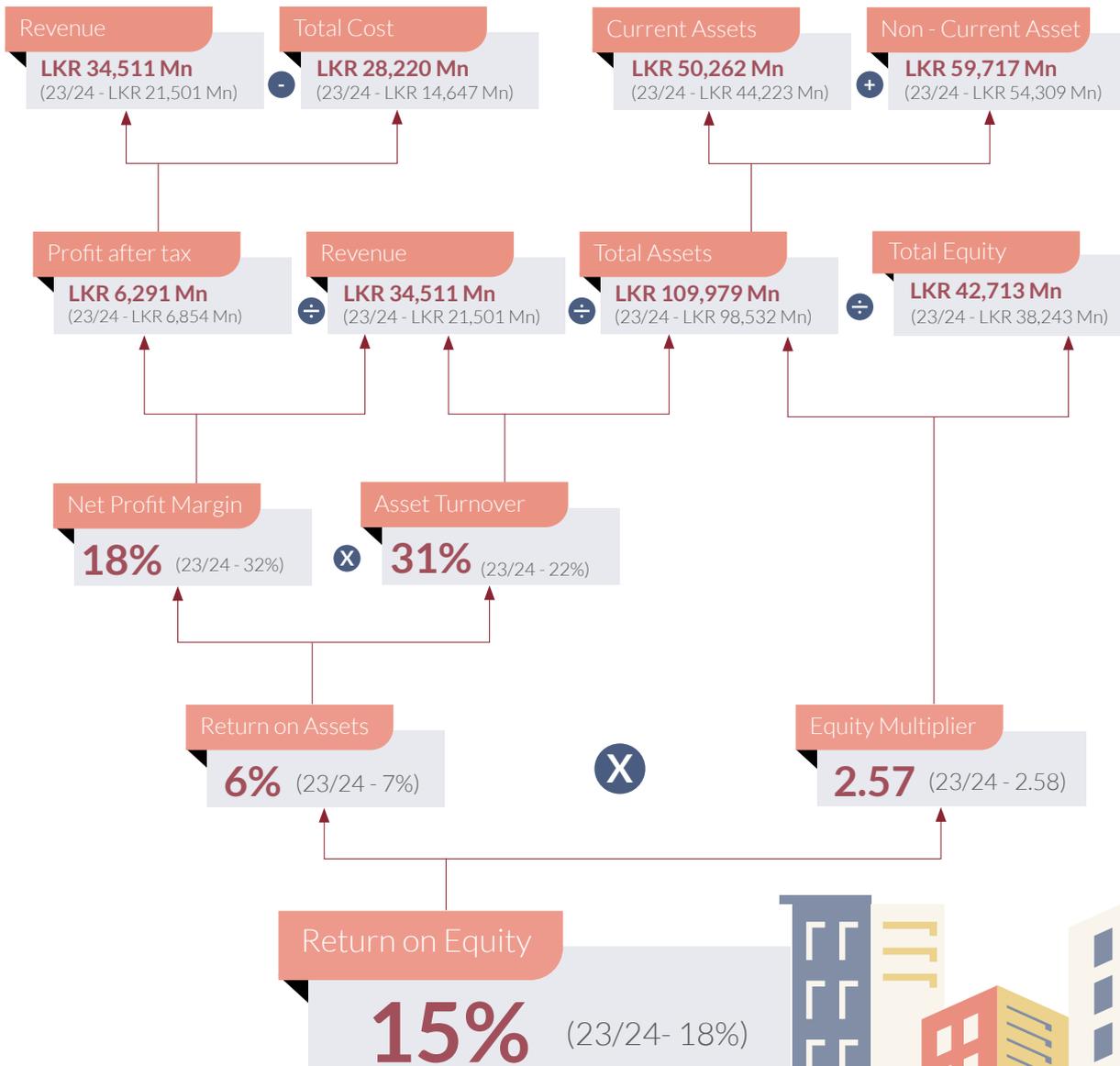
## CASH FLOW STRENGTH

As at 31 March 2025, the Group reported cash and cash equivalents of LKR 1,730 Mn, reflecting a decrease of LKR 1,527 Mn compared to the balance of LKR 3,257 Mn as at 1 April 2024. During the year, the Group recorded a net cash outflow of LKR 1,262 Mn from operating activities. Net cash used in investing activities amounted to LKR 4,060 Mn, primarily due to investments in property, plant, and equipment. Financing activities contributed a net inflow of LKR 3,795 Mn, which partially offset the outflows from operating and investing activities.



## AEL GROUP DUPONT ANALYSIS

DuPont analysis breaks down Return on Equity (ROE) into three components, net profit margin, asset turnover, and equity multiplier providing a clearer understanding of a company's profitability, operational efficiency, and financial leverage. The ROE for 2024/25 is 15%, down from 18% in the previous year, driven primarily by a decline in Net Profit Margin to 18% (from 32%) due to a significant rise in costs. However, this was partially offset by improved Asset Turnover at 31% (up from 22%) reflecting better asset utilization, while the Equity Multiplier remained stable at 2.57.



# FINANCIAL CAPITAL

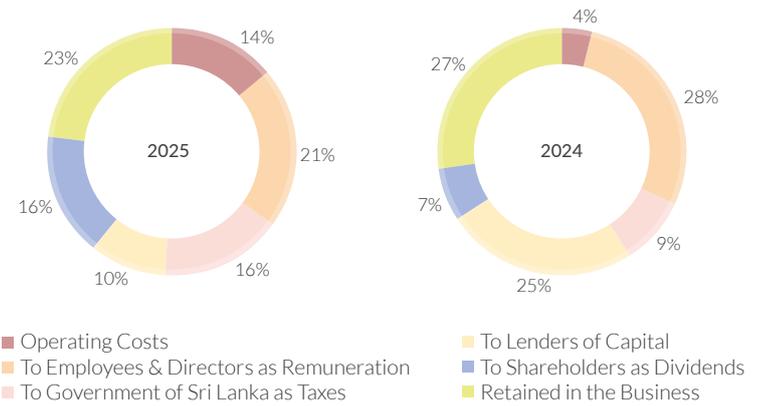
GRI 201-1

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

We contribute significantly to the national economy through tax payments, job creation, community development, and environmental stewardship.

	2025 (LKR Mn)	2024 (LKR Mn)
<b>Value Delivered</b>		
Operating Costs	1,811	293
To Employees & Directors as Remuneration	2,756	2,023
To Government of Sri Lanka as Taxes	2,081	683
To Lenders of Capital	1,265	1,858
To Shareholders as Dividends	2,000	500
Retained in the Business	2,910	1,980
<b>Value Created</b>	<b>12,823</b>	<b>7,337</b>

### Economic Value Added Statement



## FOCUS FOR THE FUTURE

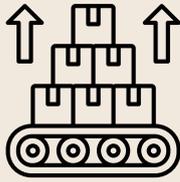
### Short Term - Medium Term Plans

- » Strengthen presence in high-impact sectors to reinforce Access Engineering PLC's position as a diversified infrastructure and solutions conglomerate.
- » Optimize capital allocation by prioritizing projects with strong cash flow potential and ROI.
- » Enhance working capital efficiency through improved receivables and project cash flow management.

### Long Term Plans

- » Explore regional collaboration opportunities, particularly in marine and port infrastructure, to diversify revenue streams and expand the Group's strategic footprint across South Asia.
- » Establish Access Medical Tracers as a fully integrated radiopharmaceutical brand, serving domestic and regional diagnostic markets.

# MANUFACTURED CAPITAL



## Management Approach

AEL's comprehensive approach to developing Manufactured Capital is characterised by continuous investment in the renewal, upgrade, and maintenance of physical and digital assets. This strategic focus on asset development and operational excellence aims to enhance AEL's capabilities and deliver superior construction solutions and reinforce its position as Sri Lanka's leading construction company.

## Outcomes / Outputs



## Material Matters

- » Economic Performance
- » Infrastructure Quality and Maintenance
- » Technology and Automation



## Inputs

- » Property Plant and Equipment
- » Asset Lifecycle Optimisation
- » Greening of Assets
- » Smart Tools
- » IT Core and Back-end Support Systems



## Highlights for FY 2024/25

- » **LKR 297 Mn** invested in PPE
- » **LKR 2,960 Mn** invested in commissioning a rooftop solar system
- » **LKR 35 Mn** invested in upgrading IT Systems

Outputs for AEL and Impact on Other Capitals	Stakeholder Impacted	Impact on Capitals	SDG(s) with Targets
Continuous investment in upgrading and maintaining equipment reduces operational disruptions, thereby ensuring steady project revenues	Shareholders		<ul style="list-style-type: none"> <li> <b>SDG 8.2</b> – AEL drives productivity through continued investment in equipment and operational efficiency.</li> <li> <b>SDG 9.4</b> – AEL modernizes infrastructure to make it sustainable and resource-efficient.</li> </ul>
Access to state-of-the-art equipment and cutting-edge technologies, enabling opportunities for skill development and career advancement	Employees		<ul style="list-style-type: none"> <li> <b>SDG 4.4</b> – AEL enhances employee skills through exposure to advanced technologies and tools.</li> <li> <b>SDG 8.5</b> – Promotes full and productive employment and decent work with career development.</li> </ul>
Reliability and efficiency of assets ensure that projects are completed within the stipulated time frames and budgets, enhancing client satisfaction and strengthening brand loyalty	Customers	 	<ul style="list-style-type: none"> <li> <b>SDG 9.1</b> – AEL supports sustainable infrastructure development to enhance access and efficiency.</li> <li> <b>SDG 12.2</b> – Promotes efficient resource use in construction delivery and client service.</li> </ul>

# MANUFACTURED CAPITAL

## PROPERTY PLANT AND EQUIPMENT (PPE)

PPE comprises the collection of Group-wide factory, administrative and warehouse buildings, specialised machinery, tools, equipment and vehicle fleets as well as other essential fittings collectively serving as the lifeblood

of AEL Group operations, enabling the delivery of projects and services to meet evolving client and industry demands.

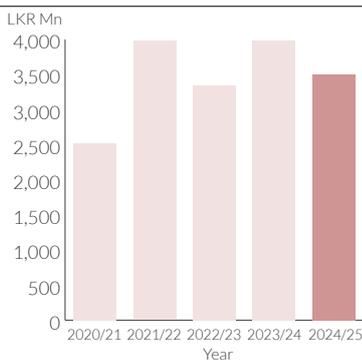
Given its critical role in the Group's core operations, AEL is firmly committed to the continuous investment and modernisation of its PPE portfolio. To

ensure investments are strategically prioritised to ensure that the Group maintains its competitive edge, meets regulatory requirements, and aligns its operations with sustainability and efficiency goals. To that end, AEL follows a highly structured and disciplined approach to capital expenditure (CAPEX) for the purpose of acquiring new PPE.

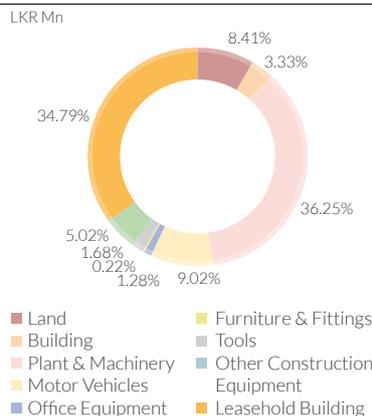
### INVEST IN PROPERTY , PLANT & EQUIPMENT (PPE)

<p><b>Planning</b></p> <p>Begins with a comprehensive assessment of the current asset base and future project pipeline to identify asset gaps and investment needs.</p>	<p><b>Forecasting</b></p> <p>Capital allocations are forecasted based on projected workloads, emerging market trends, and technological advancements.</p>	<p><b>Budgeting</b></p> <p>A detailed evaluation of each proposed investment is conducted, focusing on operational efficiency and optimal resource utilisation in alignment with the Group's strategic goals. An initial budget is allocated for every profit center annually to guide spending and ensure accountability.</p>	<p><b>Approval</b></p> <p>Approval authority is clearly delineated based on expenditure amounts. Heads of Division are responsible for approving capital expenditure requests below LKR 1,000,000/= For expenditures exceeding LKR 1,000,000/= approval is required jointly from the Managing Director and the respective Heads of Division.</p>	
<p><b>Procurement</b></p> <p>driven by the central procurement division based on the equipment and infrastructure requirements of business units and in line with the approved CAPEX budget allocation.</p>	<p><b>Supplier vetting</b></p> <p>evaluate machinery and equipment suppliers on key criteria such as: quality   pricing   delivery timelines and reliability   after-sales service and support   Compliance with social and environmental best practices.</p>	<p><b>Technical evaluations</b></p> <p>If necessary, technical specification are further evaluated, while compatibility with advanced technologies (e.g., real-time data systems, CAD software, predictive maintenance tools) is also a key consideration</p>	<p><b>Commissioning</b></p> <p>installation of equipment as per agreed conditions.</p>	<p><b>Track performance and review</b></p> <p>evaluate equipment performance to inform future procurement decisions and continuous improvement</p>

Net book value of PPE



Composition of Property, Plant & Equipment



No of Production Plants



**30**

(2023/24 - 24)

## INVESTMENT IN FY 2024/25



### ASSET LIFECYCLE OPTIMISATION

Recognising the critical role of PPE in driving operational excellence and long-term value creation, AEL places significant emphasis on asset lifecycle optimisation. This involves detailed asset planning and lifecycle management strategies to ensure all machinery, equipment, and infrastructure investments meet performance, safety, and efficiency criteria.

A key aspect of this process are the preventive and predictive maintenance schedules aimed at reducing downtime, extending operational life, and minimising the risk of unexpected failures.

These efforts are further supported by the adoption of global standards and best practices such as the ISO 9001 Quality Management Standard. By embedding ISO 9001 principles, the Group ensures that all processes related to asset management, maintenance, and upgrades are systematic, consistent, and continuously improved on par with global standards.

### GREENING OF ASSETS

As part of the overall approach to improving operational efficiency and enhancing the resilience of its asset base, AEL has in recent years paid increasing attention to greening its

assets through the integration of sustainability practices across its PPE. Group-wide, all entities have been mandated to prioritise investments in energy-efficient machinery and renewable energy solutions such as solar power, as well as integration of sustainable building designs and smart tools to improve asset performance.

These efforts are further bolstered by the adoption of the ISO 14001:2015 Environmental Management Standard enabling continuous improvement of

assets to support the achievement of Group environmental objectives.

Notable initiatives during the year included investments to install Magnetic Bearing Chillers at the AEL Group Corporate Office complex. These advanced systems operate with minimal friction compared to conventional chillers resulting in reduced energy waste and lower operational costs, while also contributing to AEL's broader objectives of improving energy efficiency and minimising environmental impact.

In the current year, AEL allocated approximately LKR 2,960 Mn towards rooftop solar installations at its industrial and logistics facilities in Kimbulapitiya and Ekala, covering around 79,318 square meters of roof space. This includes a 6.6 MW solar PV system at the Access Industrial and Logistics Park in Kimbulapitiya, comprising 11,850 high-efficiency panels and 22 inverters, and a 9.2 MW plant at the Logistics Park in Ekala—the largest single-location rooftop installation of its kind in Sri Lanka, operating on a net-plus-plus basis and supplying energy directly to the National Grid.

The primary objective of these initiatives is to drive down energy consumption through the integration of large-scale renewable solutions into the Company's physical asset base.



# MANUFACTURED CAPITAL

## SMART TOOLS DEPLOYED IN FY 2024/25

### Smart Car Park System (UDA Car Park)

The system uses Automated Number Plate Recognition (ANPR) to grant seamless access to pre-registered tenants, eliminating the need for manual checks, while a centralised dashboard provides real-time visibility into parking usage across both towers, allowing for more efficient space allocation and improved overall management.

The automated Smart Car Park System has significantly improved both user convenience and revenue optimisation at the UDA Car Park.

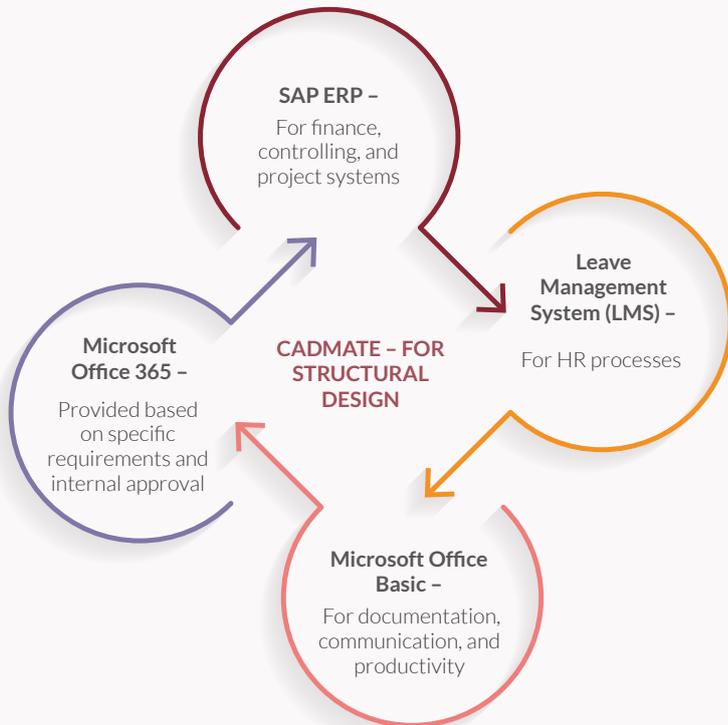
### Smart Load Management (AEL Group Corporate Office)

AEL implemented a smart Building Management System (BMS) to regulate electricity consumption at its corporate office based on real-time demand, which has led to a significant reduction in the average monthly electricity consumption

## IT CORE AND BACK-END SUPPORT SYSTEMS

Acknowledging that a strong IT core and resilient back-end system architecture is vital to support day-to-day operations, the AEL Group has invested in building a robust and scalable IT framework. This server-based IT environment hosts a range of specialised applications critical to core operations, with system reliability ensured in partnership with two leading internet service providers.

IT investments to replace legacy systems and implement new technology are carefully assessed in consultation with senior management and undertaken in strict adherence to the Board approved Technological Hardware and Software Procurement Policy. Recent IT enhancements include upgrading hardware capacity, implementing SAP Ariba to digitalise procurement, and integrating the LMS with SAP to optimise HR workflows, collectively contributing to greater operational efficiency and responsiveness across the organisation.



## Technological Hardware and Software Procurement Policy

Datacenter Policy

Data Classification and Handling Policy

IT Disaster Recovery Policy

IT Incident Management Policy

IT User Management Policy

**Disaster Recovery (DR) and Business Continuity Planning (BCP) Systems**

A fully fledged Disaster Recovery (DR) and Business Continuity Planning (BCP) systems are in place to protect the Group's key assets and ensure continuity of critical business operations through the rapid restoration of systems with minimal downtime in the event of unforeseen disruptions.

In the current year, the scope of the annual Disaster Recovery (DR) drill was expanded to more comprehensively assess the readiness of AEL's existing recovery capabilities. The exercise specifically tested the ability to restore critical data from backup

files in a controlled environment, successfully validating the functionality of key systems and demonstrating the effectiveness of the Company's established recovery protocols.

**Information Security Systems**

The Group has implemented a layered security framework to detect, prevent, and respond to potential cyber threats, ensuring secure and uninterrupted business operations.

Network security is reinforced through the deployment of ESET Antivirus for real-time endpoint protection and a FortiGate firewall for monitoring and managing digital traffic. These tools also play a central role in preventing

unauthorised access and ensuring the safe exchange of information across the Group's IT environment. To further strengthen this architecture, a firmware upgrade was carried out on the FortiGate firewall during the year. Additionally, the frequency of internal audits was increased to strengthen oversight, enable early detection of vulnerabilities, and ensure continued compliance with best practices.

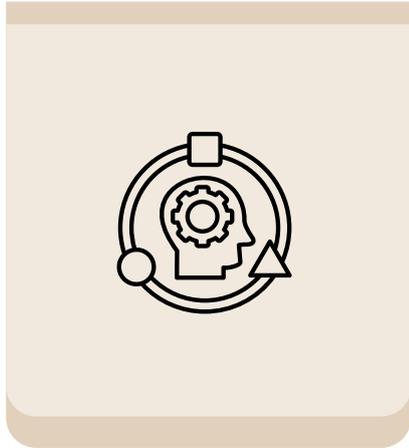
**IT Expenditure**

**LKR 35 Mn**

(2023/24 - LKR 44 Mn)

FOCUS FOR THE FUTURE	
Short Term - Medium Term Plans	Long Term Plans
Expand existing plants or establish new production facilities to meet growing market demand across core sectors like civil engineering materials, renewable energy components, and mechanical engineering products.	Scale up its solar capacity by utilising additional rooftop space across its facilities
Transition to energy-efficient machinery and adopt green technologies in plants to reduce carbon footprint and comply with environmental regulations	Incorporate Internet of Things (IoT) enabled equipment for real-time monitoring, predictive maintenance, and operational optimisation across plants, improving uptime and reducing costs.

# INTELLECTUAL CAPITAL



## Management Approach

The approach to developing Intellectual Capital is based on strengthening each element individually while enhancing the synergy and interconnectedness between them in line with organisational goals and stakeholder expectations. To that end, the Group invests in targeted initiatives to bolster its competitive position and strengthen long term organisational resilience.



## Material Matters

- » Innovation and Research & Development
- » Anti-corruption and anti-competitive behaviour
- » Brand and Reputation



## Inputs

- » Brand Strength
- » Business Conduct
- » Knowledge Base
- » R&D-led innovation
- » Group Synergies
- » Standards and Certifications
- » Memberships and Affiliations



## Highlights for FY 2024/25

- » Marked AEL's brand presence in the local healthcare and renewable energy sectors
- » AI Drain project through the IdeaNest hub
- » Pioneered the introduction of new Zinc Thermal Spray technology for guardrail materials

## Outcomes / Outputs

Outputs for AEL and Impact on Other Capitals	Stakeholder Impacted	Impact on Capitals	SDG(s) with Targets
Stronger financial results attributed to improved operational efficiency and innovation-driven revenue growth	Shareholders	+	SDG 8.2 – Achieve higher levels of economic productivity through innovation and efficiency improvements. SDG 9.4 – Upgrade infrastructure and industries to make them sustainable and efficient.
Knowledge enhancement and career advancement opportunities through involvement in R&D-led innovation	Employees	+ 	SDG 4.4 – Increase the number of youth and adults with relevant skills for employment and entrepreneurship. SDG 8.5 – Promote full and productive employment and decent work with equal opportunities for advancement.
High degree of innovation leading to improved efficiency and enhanced resilience of physical assets	Shareholders	+ 	SDG 9.1 – Develop quality, reliable, sustainable infrastructure. SDG 12.2 – Achieve sustainable management and efficient use of resources.
Improved customer satisfaction due to product excellence coupled with innovation and timely delivery of service commitments	Customers	+ 	SDG 9.1 – Provide sustainable infrastructure that meets customer expectations. SDG 12.6 – Encourage companies to adopt sustainable practices and reporting.

**BRAND STRENGTHH**

Access Engineering PLC (AEL) stands as one of the most iconic and respected names in engineering and infrastructure development in Sri Lanka. With a legacy spanning more than two decades, AEL has consistently delivered large-scale, complex projects across a wide array of sectors encompassing transportation, highways, bridges, buildings, water supply, telecommunications, and waste management. The ability to meet demanding client expectations with precision and speed has earned AEL a distinct reputation as the preferred partner in Sri Lanka for both public and private sector infrastructure development.

At the core of AEL's brand strength lies its fully integrated business model, which combines end-to-end engineering, procurement, and construction (EPC) capabilities with in-house manufacturing and project management expertise. Moreover AEL's integrated business model which

facilitates control over critical input materials and processes ranging from asphalt and concrete production to quarry and crusher operations, AAC block manufacturing, and M-Sand production, allows AEL to deliver projects with uncompromising quality and consistency, reinforcing its position as a leader in Sri Lanka's construction sector.

AEL's brand has continued to evolve in step with its growth strategy with capabilities in mechanical engineering, further extending its reach and reputation. In tandem, investments in logistics infrastructure, commercial real estate, and residential condominiums have broadened the Group's footprint and contributed to repositioning the Group from a construction-centric business into a diversified infrastructure and solutions conglomerate.

In recent years, AEL has further strengthened its brand presence

through bold diversification moves into high-growth, innovation-driven industries. The establishment of Access Medical Tracers in FY 2024/25 marks the Group's entry into the healthcare sector, with a focus on radiopharmaceuticals and the production of medical isotopes for advanced cancer diagnostics and treatment. This pioneering initiative demonstrates AEL's ambition to lead in sectors with deep social and economic relevance. Likewise in keeping with global sustainability trends, AEL also ramped up investments in renewable energy, positioning itself as a contributor to the national clean energy agenda.

Today, while consolidating its legacy as Sri Lanka's leading construction brand, AEL is strengthening its identity as a versatile and forward-looking brand by ensuring that each strategic diversification leverages existing competencies to enhance synergy and scalability.

AEL Group			
Civil Engineering Engineering Projects Roads & Highways Water & Wastewater Buildings & Piling Power Infrastructure	Engineering Services Telecommunication Fabrication Engineering Designs Repair and Maintenance of Construction Equipment & Machinery Sand filling works (new addition)	Construction Materials Production Asphalt Plants producing asphalt concrete used primarily in road construction and maintenance. Quarries serve as the source of raw materials, including crushed stone, gravel, and sand.	Mechanical Engineering Commission of Port Machinery Repair of Port Machinery Maintenance of Port Machinery
Properties Commercial Offices Commercial Warehouses Residential and commercial property	Renewable energy Landmark 6.6 MW solar installation at the Access Industrial and Logistics Park, Kimbulapitiya, the project features 11,850 high-efficiency solar panels and 22 inverters.	Automobile New Vehicle Sales Sale of Spare Parts Workshop Operations Marine engine sales	Radiopharmaceutical Radiopharmaceutical company producing FDGs

# INTELLECTUAL CAPITAL

GRI 2-23, 2-24, 2-25, 2-26, 205-1, 205-2, 205-3, 206-1

## BUSINESS CONDUCT

At AEL, ethical business conduct is regarded as fundamental to sustaining trust, enhancing corporate reputation, and delivering long-term stakeholder value. In today's dynamic business landscape that demands increasing transparency from organisations, AEL has embedded ethical conduct at the heart of its governance philosophy, reinforcing a culture where responsible behaviour is championed from the Boardroom to the operational frontlines.

This commitment is institutionalised through a comprehensive Business Conduct Framework consisting of the Code of Business Conduct and Ethics which together with the Anti Bribery and Corruption Policy, provides the

structure and guidance necessary to ensure that all decisions and actions across the Group are aligned with clearly defined ethical principles.

AEL's commitment to ethics extends to the provision of various channels including the whistleblower process to enable employees and external stakeholders to confidentially report concerns relating to misconduct, unethical practices, or regulatory breaches without fear of retaliation. In line with the Group whistleblower policy, all concerns are investigated promptly and comprehensively.

Regular training and awareness initiatives are conducted to ensure that all employees are fully aware of their responsibilities and empowered to act with integrity in all business dealings.

stands as a testament to the Group's ability to align cutting-edge science with infrastructure resilience and public safety.

Seeking to broaden its reach and focus on advocating for industry transformation, IdeaNest has over the years collaborated with industry experts, thought leaders and academia to further its R&D agenda. In 24/25 IdeaNest tied up with the National Academy of Sciences of Sri Lanka (NASSL) and the Sri Lanka Association for the Advancement of Science (SLAAS) in a landmark three-year national initiative: "How Science/ Scientists Can Generate Wealth for the Nation." This transformative programme seeks to rebuild public trust in science by demonstrating its relevance and accessibility across all segments of society from schoolchildren and university students to policymakers and citizens.

Training Programme	Training Facilitator	Date	Total Training Hours
Complying with Sri Lanka's Anti-Corruption Act: What Corporates Need to Do	Corporate Management Consultants	6-Mar-25	3

IdeaNest was instrumental in launching a pioneering collaboration with the University of Moratuwa, supported by leading global institutions such as the University of Cambridge and the University of Oxford to explore the introduction of fibre optic monitoring technology in Sri Lanka, with the goal of enhancing the structural health monitoring of bridges, high-rise buildings, and culturally significant heritage sites. This breakthrough technology holds the potential to transform infrastructure maintenance, offering predictive capabilities that could significantly extend asset life and reduce long-term costs.

## KNOWLEDGE BASE

AEL's knowledge base is a key strategic asset that underpins its reputation for excellence across every aspect of the business model. Nurtured and cultivated through decades of experience across diverse sectors, the Group's extensive repository of technical, operational, and market knowledge serves as a critical tool that empowers AEL to respond swiftly and effectively to manage risks and leverage opportunities and drive innovation to retain the Group's competitive position.

To preserve and enhance this advantage, AEL has continued to invest in developing its knowledge base through structured learning and continuous professional development.

and pioneer sustainable infrastructure solutions that shape the nation's future.

The expansion of IdeaNest - the Group's dedicated in-house research hub in FY 2024/25 signifies a major leap in AEL's R&D strategy. IdeaNest, which functions as a structured platform for ideation, experimentation, and the real-world testing of concepts, is designed to foster a strong culture of applied research across the organisation. It also serves a collaborative environment where engineering professionals, academics, and technologists converge to co-create solutions for Sri Lanka's most complex infrastructure challenges.

A key outcome of IdeaNest in the current year was the Smart Drain project, a groundbreaking initiative led by Dr. Nadeesha Chandrasena in partnership with academic researchers. Developed in response to the growing threat of urban flooding, this intelligent drainage solution exemplifies AEL's commitment to deploying R&D for high-impact, real-world outcomes and

Another notable achievement for IdeaNest in the past was the development of Autoclaved Aerated Concrete (AAC) blocks in Sri Lanka, marking a major milestone in the advancement of the Country's construction sector.

## R&D-LED INNOVATION

R&D remains a foundational aspect that augments AEL's intellectual capital and reinforces its position as an industry leader. The Group prioritises investments in R&D in order to navigate evolving industry dynamics, respond to emerging societal needs,

► **Innovative Material Formulations**

By integrating cutting-edge additives and modifiers, AEL has significantly improved the structural strength, longevity, and safety of its materials underscoring the commitment to sustainable engineering.

The successful incorporation of Polymer Modified Bitumen (PMB – PG 76-10) into the asphalt mix design for the Hingurakgoda Runway rehabilitation project at the Sri Lanka Air Force base. The use of PMB technology which complies with stringent international aviation pavement specifications, significantly strengthens resilience and

durability of the surface through enhanced rutting resistance, durability, and flexibility under extreme weather conditions.

The introduction of Dump Ash as an environmentally friendly, cost-effective substitute for fly ash in the production of Autoclaved Aerated Concrete (AAC). The innovation was facilitated by the introduction of a new ball mill processing line to refine the dump ash into a usable form, optimising its particle size and consistency.

► **IdeaNest and the Drain that Could Think - engineering solutions for a better world**



The Smart Drain project, developed through AEL's innovation hub IdeaNest, is a breakthrough in flood mitigation and sustainable urban infrastructure. This AI-powered drainage system uses real-time sensors and mesh nets to prevent blockages, reduce urban flooding, and stop plastic waste from reaching waterways, thereby transforming passive infrastructure into an active,

community-responsive solution. The Smart Drain not only addresses local challenges but positions AEL as a global player in purpose-driven engineering innovation. Currently in its pilot phase, the project has gained global recognition, with AEL's Urban Inventors team named among the top 30 finalists at the 2025 WIPO Global Awards, selected from over 780 entries across 95 countries.

► **Pioneering New technology adaptation ( Zinc Thermal Spray) over conventional hot dip galvanization (HDG) method for guardrail materials in Sri Lanka.**

Pioneering introduction of Zinc Thermal Spray (Zn TS) technology in Sri Lanka as a next-generation alternative to traditional Hot Dip Galvanization (HDG) for corrosion protection of steel handrails at large scale projects. This innovative approach, first applied on a live expressway (CEP II) to rectify W-beam guardrails, offers a more flexible, environmentally friendly, and performance-optimized solution.

Zinc Thermal Spray, unlike HDG which requires immersion in molten zinc, involves spraying molten zinc onto prepared surfaces allowing on-site application, custom coating thickness, and precise targeting of corroded sections without dismantling infrastructure. With better performance in duplex systems (zinc + paint), no thermal distortion, and safer environmental credentials, Zn TS presents a transformative opportunity for corrosion protection in Sri Lanka's tropical, high-humidity environment, especially along coastal and industrial zones.



While Zinc Thermal Spray is widely adopted internationally, its recent local deployment by AEL marks a major leap in the Country's infrastructure maintenance.

# INTELLECTUAL CAPITAL

## STRATEGIC PARTNERSHIPS

Strategic partnerships with both local and global stakeholders have been crucial in driving AEL's business scalability expansion and diversification strategies.

These partnerships have opened up access to advanced technologies, entry to new markets, and specialised expertise to fast-track the Group's entry into high-impact sectors. To that end, strong emphasis is placed on trust, transparency, and shared value creation ensuring partnerships are not transactional but built on mutual long-term growth and contribution.

In addition, alliances with global suppliers and technical consultants have enabled AEL to adopt international best practices, improve quality standards, and increase operational efficiency in response to evolving market demands, regulatory shifts, and national development priorities.

## STANDARDS AND CERTIFICATIONS

Standards and certifications play a critical role in building stakeholder trust in the AEL brand by offering third-party validation of the Company's credentials. The Group places particular emphasis on obtaining industry-specific certifications that reinforce its specialisation in complex sectors such as infrastructure, water and sanitation and high-rise construction. These technical certifications confirm AEL's ability to meet rigorous sectoral standards in turn strengthening its competitive edge when bidding for high-value construction projects and enhancing its credibility with government agencies, funding bodies, and global clients.

In parallel, AEL has institutionalised a range of internationally recognised general management system certifications, including ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and

ISO 45001 (Occupational Health and Safety). These standards underpin the Group's broader operational model, ensuring that quality, sustainability, and workplace safety are embedded in every process. For stakeholders, these certifications serve as a clear indicator that AEL not only adheres to best practices but is also committed to continuous improvement and long-term value creation.

### Expenditure on ISO Certification

# LKR 1.7 Mn

(2023/24 - LKR 0.8 Mn)

### Standards and Certifications (Highest Grade Achieved)

# 15

(2023/24 - 9)

Type	Fields	Grade
Main Construction Contractors	Building	CS-2*
	Highway	CS-2*
	Bridge	CS-2*
	Water Supply and Drainage	CS-2*
	Irrigation and Drainage	C-1
	Dredging and Reclamation	C-7
	Storm water Disposal and Land Drainage	C-1
	Maritime Construction	C-1
	Heavy Construction	C-1
Electrical & Mechanical Services	Electrical Installations (Low Voltage) EE-LV	EM-1*
	Electrical Installations (Medium Voltage) EE-MV	EM-1
	Extra Low Voltage Installations -ELV	EM-1*
	Heavy Steel Fabrication - HSF	EM-1*
	Plumbing & Drainage - PD	EM-1*
	Elevators, Escalators & Travellators -EET	EM-1*
	Fire Detection, Protection & Suppression - FDPS	EM-1*
	LP Gas Systems - LPG	EM-1*
	Generators - Gen	EM-1*
Mechanical Ventilation and Air Conditioning - MVAC	EM-1*	
Other Specialised Trades	Soil Nailing & Stabilization - SN	SP-1*
Piling	Piling	GP-B1*

\*Highest Grade Achieved

**MEMBERSHIPS AND AFFILIATIONS**

Memberships and affiliations provide the AEL Group with strategic advantages that strengthen its industry presence, operational capabilities, and brand credibility. These relationships offer access to influential networks, expert advice, and up-to-date industry intelligence, allowing AEL to stay ahead of regulatory, technological, and market trends. They also create platforms for advocacy and collaboration which enable the Group to participate in policy reforms and champion environmental stewardship, and ESG compliance.

Professional Organization/ Affiliated Organization	Membership/Recognition
National Construction Association of SL (NCASL)	Member
The Ceylon Chamber of Commerce (CCC)	Member
International Chamber of Commerce (ICC)	Member
Sri Lanka Business and Biodiversity Platform (BSL)	Patron Member
The Chamber of Construction Industry SL (CCI)	Member
The National Chamber of Commerce of Sri Lanka	Member
The Institute of Engineers, Sri Lanka	Recognition for training corporate engineers
Construction Industry Development Authority (CIDA)	SC2 Contractor
Employer Federation of Ceylon (EFC)	Member
Condominium Developers Association of Sri Lanka (CDASL)	Member
International Chamber of Commerce Sri Lanka (ICCSL)	Member
Institute of Chartered Accountants of Sri Lanka (ICASL)	Member
United Nations Global Compact (UNGC)	Signatory
TRACE International UK for Anti-bribery Compliance	Signatory

**OUR SOCIAL MEDIA FOOTPRINT**

**LinkedIn**  
**MARCH 2025**

Impressions: <b>10,126</b>	New Followers: <b>263</b>
Engagement: <b>254</b>	Total Followers: <b>22,516</b>

**Facebook**  
**MARCH 2025**

Reach <b>48,037</b>	Followers <b>21,875</b>
Engagement <b>1,015</b>	

**FOCUS FOR THE FUTURE**

Short Term - Medium Term Plans	Long Term Plans
Strengthen the presence in high-impact sectors to reinforce AEL’s reputation as a diversified infrastructure and solutions conglomerate	Exploring opportunities for regional collaborations, particularly in marine and port infrastructure, to leverage its growing credibility and broaden its strategic footprint across South Asia
Continue positioning as a knowledge partner in national science communication efforts through collaborations with industry experts and academia	Expand Access Medical Tracers into a fully-fledged radiopharmaceutical brand, with aspirations to serve not only the domestic healthcare sector but also regional diagnostic markets, reinforcing the Group’s role in enabling life-saving technologies

# HUMAN CAPITAL



## Management Approach

AEL adopts a strategic approach to managing Human Capital to ensure the development of human resources as a critical enabler in achieving organisational goals. This comprehensive approach recognises people as a highly valued asset and ensures all people development activities are undertaken with a view to developing an agile, flexible and performance-driven workforce capable of safeguarding AEL's competitive advantage and the Company's long-term resilience against cyclical macroeconomic changes.



## Material Matters

- » Labour management relations, occupational health and safety, market presence, and non-discrimination
- » Training and Education
- » Diversity and Equal Opportunities



## Inputs

- » Recruitment and Selection
- » Remuneration and Benefits
- » Performance Management
- » Training and Development
- » Employee Relations
- » Grievance Handling
- » Occupational Health and Safety
- » Employee Engagement and Wellbeing



## Highlights for FY 2024/25

- » **LKR 2,450 Mn** distributed as monetary benefits to employees
- » **99%** employees receiving performance evaluations
- » **94%** male: **6%** female - overall gender ratio
- » **92%** male : **8%** female- gender ratio at a leadership level
- » Revenue per employee grew by **30%** YoY, reflecting improved productivity.

## Outcomes / Outputs

Outputs for AEL and Impact on Other Capitals	Stakeholder Impacted	Impact on Capitals	SDG(s) with Targets
Improved employee productivity resulting in higher revenue growth and greater operational cost efficiencies	Shareholders	+	<b>SDG 8.2</b> – Achieve higher levels of economic productivity through efficient use of labor and innovation. <b>SDG 8.4</b> – Improve resource efficiency in production and consumption.
Strong safety record enhances AEL's status within the local construction industry	Regulators	+	<b>SDG 3.9</b> – Substantially reduce work-related illnesses and hazardous exposure. <b>SDG 8.8</b> – Protect labor rights and promote safe and secure working environments.
High levels of employee retention builds trust among customers and business partners	Customers / Suppliers	+	<b>SDG 8.5</b> – Promote full and productive employment and job satisfaction. <b>SDG 17.17</b> - Encourage effective public, public-private and civil society partnerships.

GRI 2-7

## TEAM PROFILE



Our People

**1,574**

(2023/24 - 1,277)



Male

**1,472** | **94%**

(2023/24 - 1,194) (94%)



Female

**102** | **6%**

(2023/24 - 83) (6%)

GRI 2-8

## Active Employees

## Based On Gender

Staff			Labour			Total		
Male	Female	Total	Male	Female	Total	Male	Female	Total
701	92	793	771	10	781	1,472	102	1,574

## Based On Age

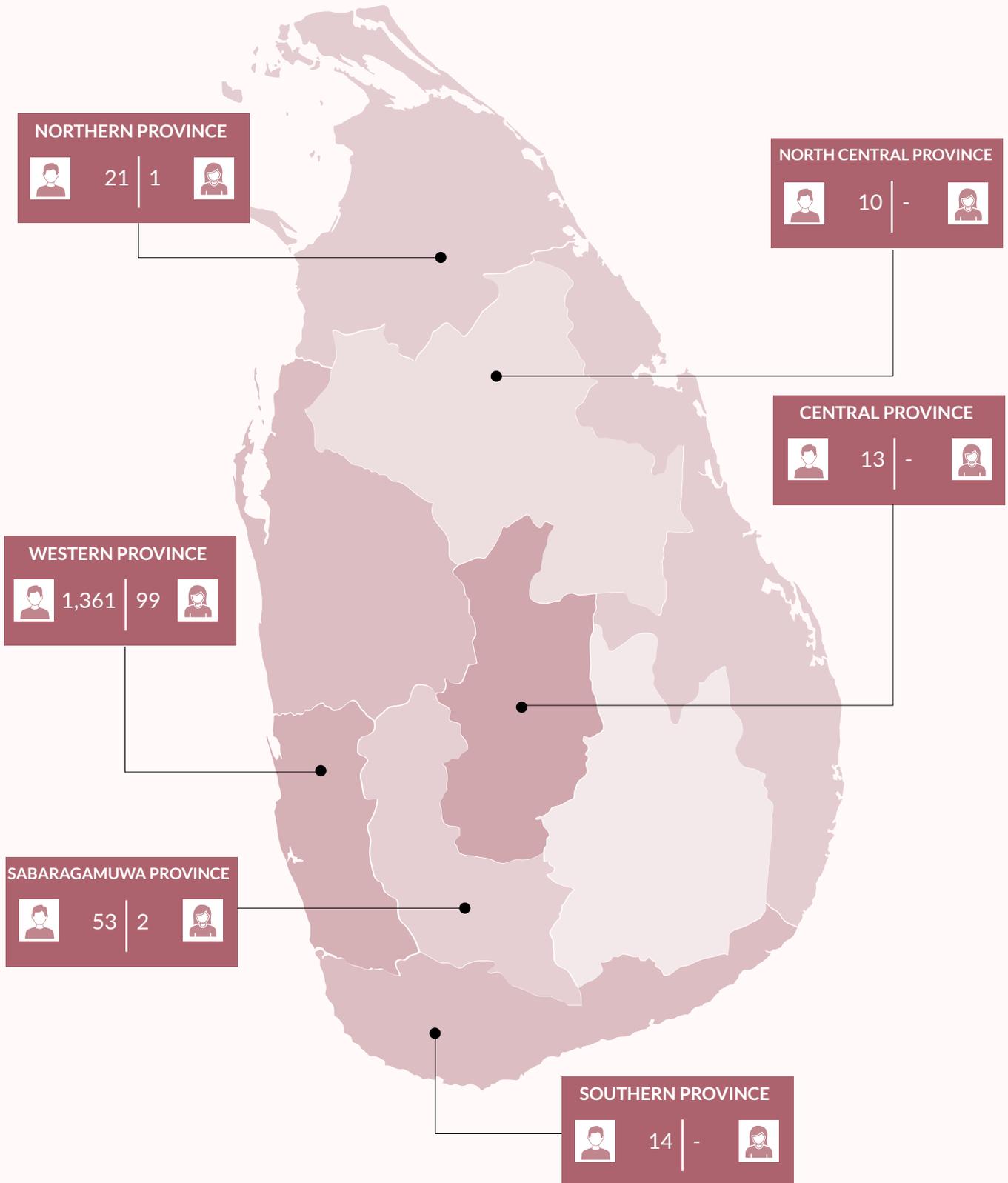
Age	Staff	Labour	Total
	No. of Employees	No. of Employees	No. of Employees
< 30 yrs	117	271	388
30 - 50 yrs	578	399	977
> 50 yrs	98	111	209
Total	793	781	1,574

## Total Employee By Category

Category	Staff	Labour	Total
	No. of Employees	No. of Employees	No. of Employees
Managerial	160	-	160
Operational/Technical	240	-	240
Clerical and Supportive	227	-	227
Skilled/Unskilled	166	781	947
Total	793	781	1,574

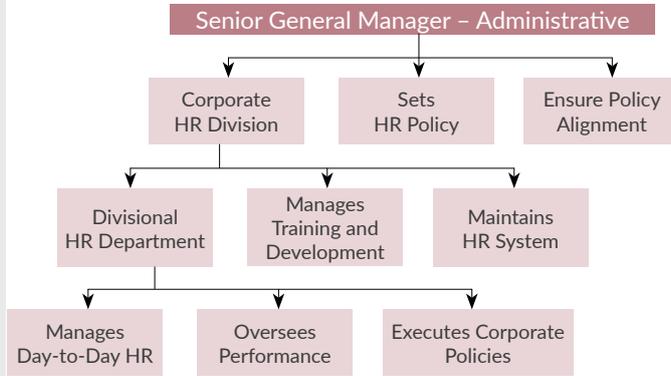
# HUMAN CAPITAL

Based On Province



## AEL Group Human Capital Management Framework

### AEL GROUP HR GOVERNANCE STRUCTURE



### HR POLICIES

- » Policy on Employees 'Salaries & Overtime
- » Policy on Staff Recruitment, Selection and Placement
- » Company ID Policy
- » Disciplinary Policy
- » Employees' Leave Policy
- » Learning Development Policy
- » Policy on Staff Training Development
- » Mobile Phone Usage Administration Policy
- » Whistle blowing Policy
- » Employee Interview and Selection Guide
- » Guideline- Working on Time-off Days
- » Guideline on Employee Induction
- » Guideline on Providing Transport
- » Facilities & Travelling Expenses to Employees

### REGULATORY COMPLIANCE

- » Shop and Office Employees Act, No.19 of 1954
- » Wages Board Ordinance
- » EPF Act
- » ETF Act
- » Gratuity Act

There were no incidents of non-compliance reported in the current year

### Non-Discrimination

AEL strictly adheres to international human rights practices to create a workplace free from discrimination, harassment and exploitation.

No incidents of discrimination were reported during the current year.



### Diversity and Equal Opportunity

AEL is committed to being an equal opportunity employer and actively promotes the values of equality and fairness, ensuring that all employees, regardless of their background have equal access to opportunities for growth and success throughout the employment lifecycle.

### Human Rights

AEL upholds the fundamental rights to voluntary employment and operates on the principle that employees have the freedom to leave at their discretion and may do so in accordance with the terms of their employment contracts, this eliminating the risk of forced or compulsory labour.

### Prevention of Child Labour

AEL maintains a zero-tolerance policy on child labour in line with international labour standards and local regulations to prevent the employment of minors in many forms. The Group aligns with the ILO Conventions and the United Nations Global Compact (UNGC) principles, ensuring that all its operations and business partners uphold the prohibition of child labour.

No incidents of child labour were reported during the current year.

As part of this commitment AEL strives to maintain a 1:1 ratio in the salaries offered to men and women in comparable positions across the Group

# HUMAN CAPITAL

GRI 202-2, 401-1, 408-1

## RECRUITMENT AND SELECTION

The AEL Company follows a disciplined approach to recruitment and selection to ensure the right talent is engaged to meet the evolving business needs of the Company. At the heart of this process is the annual workforce planning exercise that begins with detailed job analysis to clearly define each role's responsibilities and required competencies. Increasingly, AEL leverages workforce analytics to forecast demand, assess capability gaps, and refine its recruitment strategy to attract high-quality candidates who align not only with the role but also with the Company's values and long-term aspirations. This process culminates in a Board-approved manpower plan and budget that together establishes a roadmap for recruitment and talent development aligned with corporate objectives and future growth.

Recruitment at AEL underscores the Company's stance as an equal

opportunity employer, where all vacancies are publicly advertised and internally circulated, encouraging applications from within and outside the Company. The Company also draws talent through its Industrial Placement Programme, offering undergraduates and other industrial trainees structured training opportunities, many of whom transition into full-time roles. Regardless of the source, the Policy on Staff Recruitment, Selection and Placement ensures selection dictates that recruitment should be strictly merit-based and free from discrimination based on age, gender, ethnicity, religion, or other protected characteristics.

In the current year, the Company recruitment process was revamped with the introduction of a standardised interview process, wherein a new interview data form and marking scheme was implemented to provide a consistent and objective framework

for assessing candidates at the initial interview stage. A dedicated selection form was also implemented for the second interview stage setting out a structured approach to identifying and moving forward with the most promising candidates after initial screening. Likewise reference checks and previous employment confirmation to gain an insight into a candidate's past performance and suitability, were made a mandatory part of the selection process.

Meanwhile, AEL continues to partner with reputable labour service providers that uphold strong compliance with labour laws and human rights standards to fulfil its project-based requirements for daily-paid skilled and unskilled workers.

<b>Average employee Turnover Ratio (Staff &amp; Labour)</b> (2023/24 - 33%)	<b>32%</b>
<b>Employee Retention Ratio (Staff Only)</b> (2023/24 - 76%)	<b>87%</b>

## ON-BOARDING

Almost all new recruits undergo a probationary period of 3 to 6 months, during which they participate in a structured onboarding programme designed to align them with the Company's strategic objectives and organisational culture. This includes a comprehensive induction and orientation process, ensuring that new hires gain a clear understanding of their roles, responsibilities, and AEL's values.

Throughout the probationary period, employees are closely monitored, with formal performance evaluations conducted at the end to assess their suitability for absorption into the regular cadre. During the financial year, a total of 90 employees took part in the orientation programme.

As part of continuous process improvement, the Employee Clearance Form was revised during the year to enhance the quality of information captured and streamline both onboarding and off-boarding procedures.

### Employee Movement

#### New Hires

##### Based on Gender (Staff and Labour)

Gender	24/25	23/24
Male	734	556
Female	26	16
Total	760	572

##### Based on Province (Staff and Labour)

Province	24/25	23/24
Southern	7	3
Western	685	500
Central	4	10
North central	8	5
Sabaragamuwa	49	28
Northern	7	26
Total	760	572

##### Based on Age (Staff and Labour)

Age category	24/25	23/24
< 30 yrs	335	254
30 - 50 yrs	347	246
> 50 yrs	78	72
Total	760	572

#### Turnover

##### Based on Gender (Staff and Labour)

Gender	24/25	23/24
Male	456	372
Female	7	17
Total	463	389

##### Based on Province (Staff and Labour)

Province	24/25	23/24
Southern	2	3
Western	400	356
Central	3	5
North central	5	3
Sabaragamuwa	42	7
Northern	11	15
Total	463	389

##### Based on Age (Staff and Labour)

Age category	24/25	23/24
< 30 yrs	204	143
30 - 50 yrs	220	194
> 50 yrs	39	52
Total	463	389

### AEL Gender Parity Commitments

Gender representation targets at all stages of the employment lifecycle	Equal opportunity and non-discriminatory employment in line with global best practices	Fair and equitable compensation and benefits packages regardless of gender	The “Policy on Disciplinary Management” for remediating issues relating to sexual harassment	Special training and awareness programmes to educate employees and managers on the importance of gender equality, address unconscious bias, promote gender sensitivity	Monitoring and reporting on performance against targets
---	--	--	--	--	---

### Gender Parity Scorecard

	2024/25	2023/24
Remuneration	1:1 Ratio of basic salary between men and women at entry level	1:1 Ratio of basic salary between men and women at entry level
Sexual Harassment	ZERO Incidents reported	ZERO Incidents reported
Training Opportunities	1.5:5 Training hours per person (M:F)	1.4:6.75 Training hours per person (M:F)
Career Development Opportunities	92% : 8% Gender Ratio (senior management)	94% : 6% Gender Ratio (senior management)
	Females in Leadership Positions - 8%	Females in Leadership Positions - 0%

GRI 2-21, 202-1

#### REMUNERATION AND BENEFITS

The commitment to fair, transparent, and industry-competitive compensation and benefits stands as the foundational principle of the employee value proposition offered by the AEL. Guided by the Policy on Employees’ Salaries & Overtime, the Company ensures that all employees receive remuneration that accurately reflects the responsibilities of their role, as well as their individual qualifications, experience, and performance. The policy also upholds a strict 1:1 ratio in the basic salary offered to men and women at all entry-level positions, reinforcing AEL’s deep-rooted commitment to gender equality and equitable treatment across the workforce.

To remain competitive and retain top talent, salary structures and compensation packages for executives and staff are reviewed regularly and revised as needed in line with prevailing market benchmarks.

In the case of daily-paid skilled and unskilled labour, compensation is set in accordance with the minimum wage guidelines outlined under the Wages Board Ordinance. However, AEL’s wage structures consistently exceed the stipulated minimum, reflecting the Company’s commitment to upholding decent work standards and improving livelihoods across all levels of its workforce.

Further enhancing operational efficiency and employee convenience, AEL implemented a new digital Leave Management System (LMS) during the year. Applicable across all staff categories, the LMS allows employees to apply for leave online, significantly reducing paperwork and streamlining

the process for both employees and HR administrators. The system is fully integrated with the payroll platform, enabling accurate and efficient leave tracking for compensation purposes. In addition, the LMS includes a specialised feature that enables employees working remotely or on official outstation duty who may not have access to the traditional fingerprint attendance system, to log their attendance digitally.



Remuneration and Benefits to Employees

**LKR 2,450 Mn**

(2023/24 – LKR 1,951 Mn)

GRI 405-2



Ratio of Basic Salary and Remuneration



1



1

# HUMAN CAPITAL

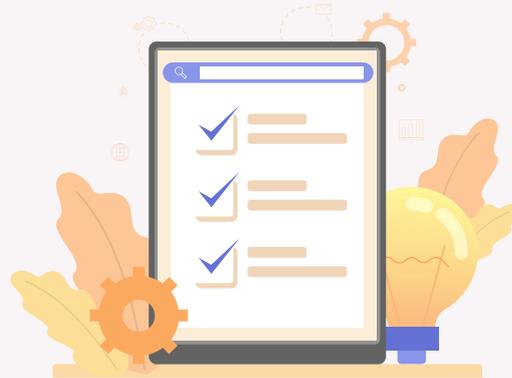
GRI 401-2

## Benefits provided to Employees

- » Performance - based incentives and recognition
- » Surgical and hospitalisation cover
- » Meals and transportation when working extended hours /on holidays
- » Time off allowance in lieu of working on Saturdays, Sundays and holidays
- » Female employees are entitled to 84 days of maternity leave for the birth of a child, as stipulated by the Shop and Office Act
- » Personal accident and death insurance coverage
- » Staff welfare activities
- » Long service awards
- » School Bags and Stationery for Employees Children
- » EPF & ETF, Gratuity

## Benefits Provided to Daily-paid workers

- » Surgical and hospitalisation coverage
- » Personal accident and death insurance coverage
- » Accommodation facilities
- » Target-based allowances



GRI 401-3

## PARENTAL LEAVE

Access Engineering PLC's parental leave policies reflect the company's commitment to fostering a supportive and inclusive work environment. Emphasizing a family-friendly culture, the Company ensures that new parents have access to resources and guidance to help them adjust to evolving family responsibilities while successfully reintegrating into their professional roles.

	2024/25	2023/24
Number of employees entitled to parental leave	102	83
Number of employees that took parental leave	3	5
Number of employees that returned to work after parental leave ended	2	2
Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	5	3
Return to work rate (%)	100%	100%

The annual evaluation process is facilitated through a self-assessment, where employees record their performance, share insights on their job scope, and identify development needs, followed by an assessment conducted by the employee's immediate supervisor, supported by formal review discussions. To ensure objectivity and eliminate bias, performance discussions are held by a multi-tiered panel consisting of the immediate superior, the head of the respective unit, and a representative from HR.

The outcomes of the annual evaluation are used as the basis for rewarding high performers through bonuses, increments, and promotions as well as in identifying training needs and long-term development opportunities. At the same time, it provides a mechanism to address underperformance and determine the need for targeted interventions to improve employee performance.

## PERFORMANCE MANAGEMENT

Performance management forms the nexus of AEL's strategy to align individual contributions with overarching corporate objectives and drive organisational success. Starting with a target-setting exercise, where

departmental goals are translated into clearly defined individual Key Performance Indicators (KPIs), and supported by ongoing guidance and feedback throughout the year to help employees meet their KPIs, culminating in a structured, performance evaluation.

GRI 404-3

## Performance appraisal

Description	Total	Percentage (%)
No.of employees evaluated	517	99
No. employees not evaluated	5	1
No.of employees entitled for performance evaluation	522	100

## By Gender

Description	No. of employees evaluated	No. of Employees not evaluated	Total	Evaluated Percentage (%)
Male	445	3	517	85
Female	72	2	5	14
Total	517	5	522	99

## By Category

Description	No. of employees evaluated	Percentage (%)
Senior Management	31	6
Middle Management	51	10
Junior Management	248	48
Junior Executive	133	25
Clerical and Supportive	53	10
Graduate Trainee	1	0
No. of employees evaluated	517	99
No. of employees entitled to a performance evaluation	522	

## TRAINING AND DEVELOPMENT

As a diversified infrastructure and solutions conglomerate, the AEL recognises that continuous learning is essential not only to maintain operational excellence but also to drive innovation, adaptability, and long-term business sustainability. To that end, the Company's integrated approach to training and development aims to align all interventions with both corporate objectives and individual career aspirations.

A comprehensive annual assessment of skill gaps and development needs facilitates targeted training delivered through a combination of technical workshops, industry-relevant seminars, and digital learning platforms to ensure employees are continuously equipped with the latest knowledge and competencies in their respective fields.

As part of its integrated approach to training, the Company goes beyond skills enhancement, to focus on promoting career development through mentorship and coaching, coupled

with structured succession planning initiatives.

To support its commitment to employee skill development, the AEL has invested in purpose-built training infrastructure, including well-equipped training rooms and virtual learning platforms to improve accessibility. Further post-training feedback and supervisor evaluations are conducted to assess effectiveness and identify additional needs, ensuring continuous improvement.

GRI 404-1, 404-2

	2024/25	2023/24
Total Investment on training (LKR Mn)	3	1.2
Total Training Hours	2,750	2,235
No. of Training Programmes	42	25
Average training cost per employee (LKR)	1,928.23	973
Average training cost per participant (LKR)	6,882.15	3,531
Average training hours for males (Hours)	1.53	1.4
Average training hours for females (Hours)	4.94	6.75
Average training hours for staff (Hours)	3.36	2.74
Average training hours for labour (Hours)	0.11	0.11

## Training programmes overview

Internal	External
On-the-job training	Institutional training
In-house training using Company's own resources and expertise	Ad-hoc training
Knowledge sharing sessions	Customised training for organisational and individual requirements
Industrial training	

# HUMAN CAPITAL

GRI 2-30, 402-1

## EMPLOYEE RELATIONS

The AEL acknowledges that open communication, mutual respect, and inclusive dialogue are essential to fostering a productive and motivated workforce. In this regard, all employees are engaged through regular monthly meetings which serve as a platform to share progress, raise concerns, and discuss ideas, ultimately contributing to employee representation in strategic decision-making.

Corporate-level employees participate in management meetings with the MD, while the annual staff forum, jointly led by the Vice Chairman and the Managing Director, serves as an opportunity to communicate the Company vision, discuss future growth prospects, as well as promote two-way dialogue between employees and top management.

The introduction of "IdeaNest" in 220 further reinforces AEL's belief

in bottom-up contribution. IdeaNest empowers employees to take an active role in shaping the Company's future by proposing new business ideas and improvements. .

This collaborative environment has helped cultivate a workplace culture of trust and engagement, which has in turn eliminated the need for a collective bargaining agreement.

Operational changes, meanwhile, are formally communicated approximately via email, notice boards, and formal briefings by department heads, HR teams, and project leaders,

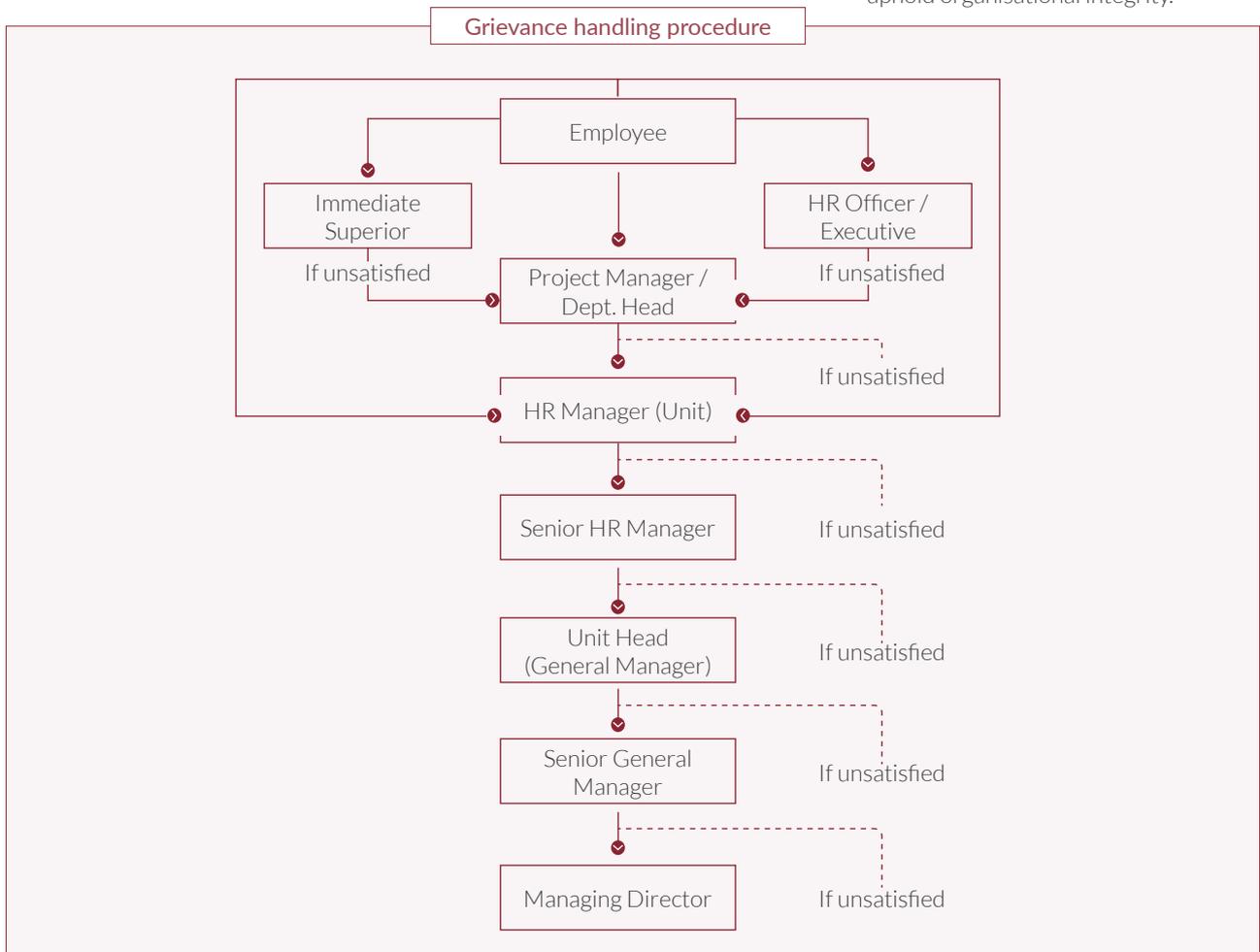
GRI 2-25, 2-26

## GRIEVANCE HANDLING

Recognising that effective grievance handling is vital to maintaining a healthy, respectful, and productive workplace, AEL promotes an open door policy as the first step resolving

employees' grievances. In keeping with this approach, employees are encouraged to reach out to their superiors to indicate their grievances and obtain solutions. Additionally during these appraisals, employees were given the opportunity to express their concerns, share any dissatisfaction related to management style or raise other work-related issues

If employees are dissatisfied with the solutions provided through these informal channels, the Company Employee Handbook clearly outlines the formal grievance handling procedure detailing the step-by-step process to formally raise grievances and resolve concerns. In addition, AEL's Whistleblowing Policy provides a confidential channel for employees to report grievances or misconduct directly to management, underscoring the Company's commitment to prioritise employee well-being and uphold organisational integrity.



GRI 403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 403-8

**OCCUPATIONAL HEALTH AND SAFETY**

Occupational Health and Safety (OHS) is a top priority for AEL with the Company maintaining full compliance with all applicable national safety regulations, including the Factories Ordinance of 1942, which governs the health, safety, and welfare of workers, and the Workmen's Compensation Ordinance of 1935 (and its subsequent amendments), which ensures compensation for employees injured during the course of their duties. In the current year AEL incurred LKR 1.3 Mn on account of Workmen Compensation Insurance, covering all technical, operational cadre employees and labourers.

**OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM**

In addition to regulatory compliance, AEL has voluntarily adopted the ISO 45001:2018 Occupational Health and Safety Management System (OHSMS) to systematically manage and continuously improve workplace safety. The OHSMS covers 100% of AEL's workforce, including all staff, labourers, and any third-party personnel present on-site.

The integrity and effectiveness of the OHSMS are verified through a schedule of planned internal audits, further supported by the external assurance provided by DNV GL through the annual ISO 45001:2018 certification compliance audit.

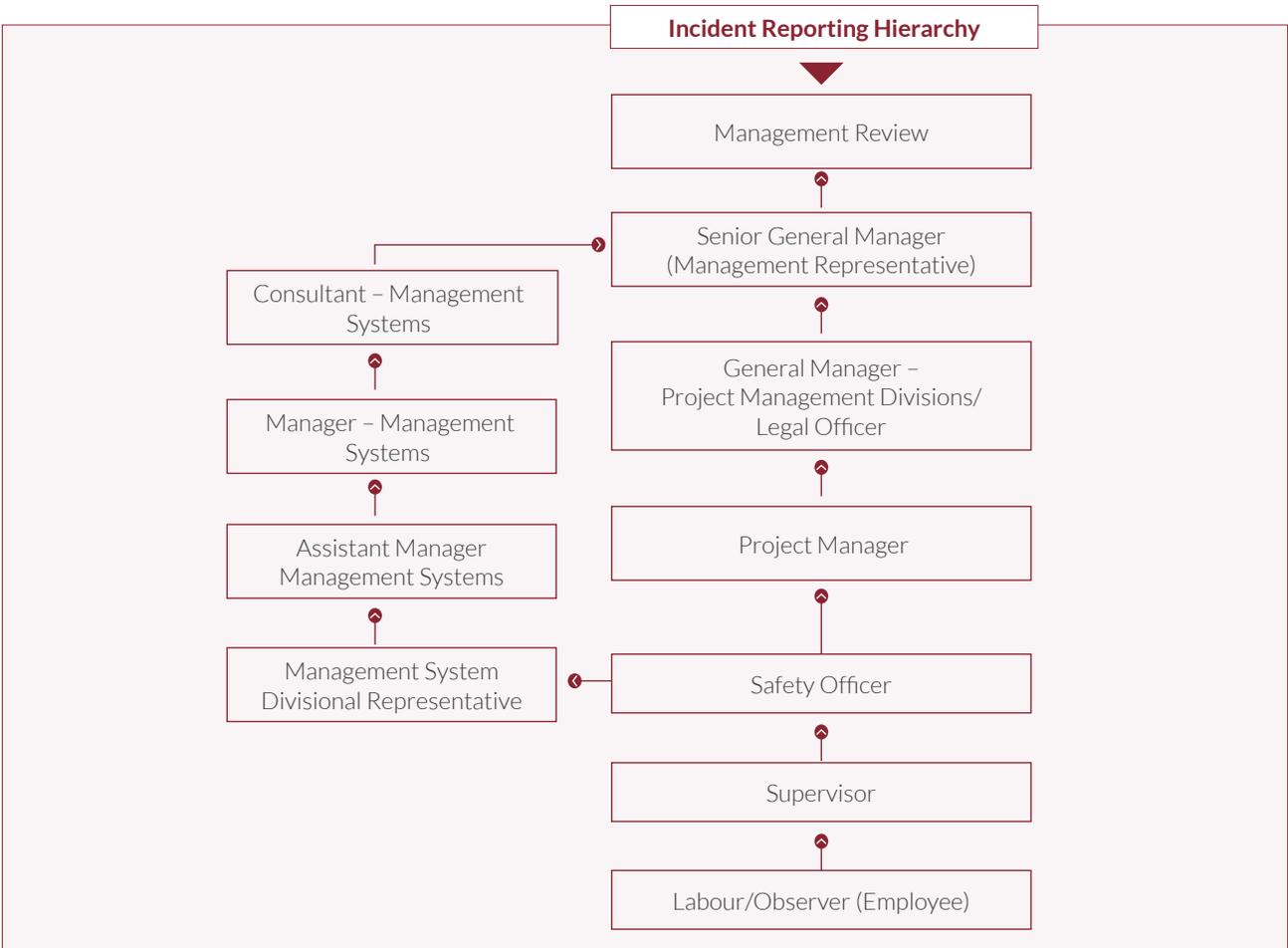
Workmen Compensation Insurance cover

**LKR 1.3 Mn**

(2023/24 - LKR 1.13 Mn)

**Key Components of the ISO 45001: 2018 Occupational Health and Safety Management System**

- » Strong leadership involvement to prioritise safety as a core organisational value.
- » Proactive identification and assessment of workplace hazards to prevent harm.
- » Use of engineering controls, administrative procedures, and PPE to eliminate or manage risks.
- » Regular comprehensive safety training programmes for all employees.
- » Well-defined plans enabling quick and efficient action during incidents.
- » Structured system to report, investigate, and analyse incidents to avoid recurrence.
- » Clear, consistent channels for disseminating safety information to all stakeholders.



# HUMAN CAPITAL

GRI 403-1

## SAFETY GOVERNANCE

A dedicated Safety Governance structure with clearly delineated roles and responsibilities ensures the effective implementation and monitoring of the OHSMS. The Management Systems Team at Head Office holds overarching responsibility for setting strategic OHS objectives and monitoring safety performance to ensure continual improvement.

Under the purview of the Management Systems Team, location-wise Safety Committees have been established within each business and operational unit. Comprising cross functional representation including Health & Safety Officers, Managers, and Engineers, Safety Teams serve as frontline safety champions tasked with enforcing adherence to safety protocols, conducting workplace inspections, and promptly addressing any deviations from established safety

standards. They also act as primary contacts for OHS-related concerns raised by workers and stakeholders.

business unit is equipped with Emergency Response Teams consisting of a Fire Fighting Team and a First Aid Team, who act as first responders in critical situations such as medical emergencies and fire incidents. The composition of the Fire Fighting Team and First Aid Team is customised to fit the unique operational needs of each unit.

	Safety Committee	Emergency Response Teams	
		Fire Fighting Team	First Aid Team
Reports to	Management Systems Department	Project Manager / Plant Manager	Project Manager / Plant Manager
Headed by	Project Manager / Plant Manager	Safety Officer / Safety Manager	Safety Officer / Safety Manager
No. of members	6 Members per 100 Nos. Employees	3 Firefighters per 100 Nos. Employees	4 First Aiders per 100 Nos. Employees
Composition	Representatives of Labour, Officer, Representatives from Each Division	Appointed Lower Level Employees & Site Staff	Appointed Lower Level Employees & Site Staff
TOR	To implement, maintain & improve OHSMS	For Emergency Preparedness	For Emergency Preparedness
Meeting Frequency	Monthly	Annual	Annual

GRI 403-5

## SAFETY TRAINING FOR FY 2024/25

Total number of health and safety training programs	04
Total number of Participants	42
Investment in Safety Training (LKR Mn)	0.48
Total Safety Training Hours	65

### Working at Height

Working at height is recognised as a high-risk activity and is governed by strict safety protocols, which are upheld as a golden safety rule within the organisation. All such tasks are

carried out under a permit-to-work system to ensure proper control and risk mitigation. Proper edge protection measures such as top rails, mid rails, and toe boards are installed to prevent falls. Workers are provided with appropriate fall restraint and arrest systems, including full body harnesses and self-retractable lanyards, with ongoing monitoring to ensure correct usage of personal protective equipment on site. Full-time supervision is provided during these tasks, supported by clear work instructions. Scaffolding structures are safely erected and are subject to routine inspections to maintain structural integrity. Regular training programs and toolbox meetings are conducted to reinforce safe practices and increase awareness of working at height hazards among all workers.

### Electrocution Hazards

To ensure electrical safety at the site, periodic inspections are conducted on all power tools, with a monthly colour coding system displayed to indicate inspection status. High-risk electrical work is carried out under a permit-to-work system, and a lock-out and tag-out procedure is practiced for energy isolation during maintenance, repairs, and installations. Workers are required to follow standard operating procedures when handling electrical tasks, and only double-insulated cables and industrial sockets are used. Where possible, cordless electrical equipment is preferred to minimise risk. Hazard warning signs are displayed in electrically hazardous areas, and all electrical distribution boards are equipped with Residual Current

Circuit Breakers (RCCBs) to enhance safety. Training programs and toolbox meetings are conducted regularly to reinforce electrical safety, which is treated as a golden safety rule within the organisation.

### Being Hit by Moving Objects

To prevent incidents involving moving objects, workers are trained on machinery and equipment safety. Dangerous moving or rotating parts of machinery are fitted with fixed or adjustable guards. Regular safety inspections are conducted to ensure continued safety in use. Before any work is performed on equipment with moving parts, recommended isolation procedures are followed. Access to high-risk zones is restricted using barricades, notice boards, and warning signs. Appropriate personal protective equipment is provided to all workers to enhance their protection in operational areas.

### Lifting Operations

Lifting operations are managed with strict controls. Hazard warning signs are prominently displayed at lifting zones to raise awareness of associated risks. Only trained and competent signalmen and operators are assigned to operate equipment such as mobile and tower cranes. All lifting equipment undergoes regular inspection, maintenance, and repairs to ensure safe functionality, and valid third-party certifications are obtained. Lifting operations follow safety practices identified as a golden rule within the organisation, and full-time supervision is provided during such activities. Workers also receive specific training on lifting safety procedures.

### Excavation-Related Hazards

Before excavation work begins, checks are conducted for underground utilities to prevent accidental damage. To

prevent soil collapse, safety methods such as stepping, shoring, and close sheeting are implemented. Adequate barricades and hazard warning signboards are used to inform people of associated risks. Designated walkways ensure safe pedestrian movement and separate people from hazardous areas and equipment. Good housekeeping practices are maintained around excavation edges, and placing vehicles, equipment, or materials near the edges is prohibited. Proper access and egress ladders are provided for excavation areas, along with suitable personal protective equipments for all workers involved.

#### Measures taken by AEL to minimise the risk of ill health among employees

- » Flexible Five-Day Workweek: Tower-based employees can complete weekly hours on weekdays, enabling Saturdays off to promote rest and work-life balance.
- » Site Shutdown Procedures: Implementation of planned shutdowns at project sites to allow employees periodic rest based on site conditions.
- » Rotational Leave Schedules: Leave is rotated based on site distance and work intensity to reduce long-term fatigue and maintain employee health.
- » Workforce Optimisation: Strategic scheduling that balances productivity with employee wellness.

GRI 403-9,10

### HEALTH AND SAFETY RECORDS

Description	2024/25	2023/24	2022/23
Total Safety Hours	5,502,063	2,409,374	3,573,637
Fatalities	-	-	-
Major accidents	2	3	2
Minor accidents	7	3	8
Frequency of major accidents	0.36	1.25	0.56
Frequency of minor accidents	1.27	1.25	2.24
LTIFR (Lost Time Injury Frequency Rate)	1.64	2.49	2.80

# HUMAN CAPITAL

## EMPLOYEE ENGAGEMENT AND WELLBEING

AEL's calendar of employee engagement activities designed to foster a culture of camaraderie, celebrate individual and team achievements, and enhance overall job satisfaction. These initiatives, ranging from team-building exercises and cultural celebrations to wellness programmes and fitness challenges serve as vital platforms for strengthening interdepartmental relationships. These efforts aim to create informal settings for employees to connect, share experiences, and engage outside their routine roles, in turn boosting morale and also cultivating a sense of belonging and shared purpose across the Company.



FOCUS FOR THE FUTURE	
Short Term - Medium Term Plans	Long Term Plans
<p>Focus on developing dedicated employee engagement and wellbeing initiatives specifically for junior and support staff</p> <p>Restarting annual recognition events, including the General Meeting for staff, where distinguished employees will be honored with the Access Star award and merit-based recognitions.</p>	<p>Optimise the recruitment model by hiring for selected staff-level project positions through pre-approved manpower suppliers to ensure agility, efficiency, and compliance in workforce deployment</p>

# SOCIAL AND RELATIONSHIP CAPITAL



## Management Approach

AEL's management approach to Social and Relationship Capital is underscored by a set of clearly defined stakeholder-specific objectives designed to build and retain stakeholder trust over the short, medium and long term. Hence the approach for clients revolves around providing the best in-class value proposition that meets or exceeds expectations. Consistent returns and transparent communication remain the key priority in keeping investors engaged on the Group's performance and strategic direction. Supplier relationships are managed based on the principle of shared value, while the commitment to create strong positive impacts for the wider community drives the approach towards strengthening community ties.



## Material Matters

- » Economic Performance
- » Procurement Practices and Customer Health and Safety
- » Socio-Economic Compliance and Indirect Economic Impacts



## Inputs

- » Product Responsibility
- » Product and Service Information and Labelling
- » Marketing and Customer Communication
- » Complaint Handling
- » Customer Privacy and Data Security
- » Investor Relations Framework
- » Procurement Best Practices
- » Supplier Relations
- » Community Relations Framework



## Highlights for FY 2024/25

- » **100%** customer complaints resolution rate
- » **96%** Local Suppliers
- » **9,806** Shareholders
- » **LKR 14.4 Mn** invested in E – Procurement

## Outcomes / Outputs

Outputs for AEL and Impact on Other Capitals	Stakeholder Impacted	Impact on Capitals	SDG(s) with Targets
Access to regular and transparent financial updates leading to enhanced investor confidence	Shareholders	+	<ul style="list-style-type: none"> <li> <b>SDG 16.6</b> – Develop effective, accountable, and transparent institutions at all levels.</li> <li> <b>SDG 17.19</b> – Enhance data availability and transparency for informed decision-making.</li> </ul>
Industry-leading reputation for reliability, ethical practices, and excellence in project execution	Customers	+ 	<ul style="list-style-type: none"> <li> <b>SDG 12.6</b> – Encourage companies to adopt sustainable practices and integrate sustainability information into reporting cycles.</li> <li> <b>SDG 16.5</b> – Substantially reduce corruption and promote ethical behavior.</li> </ul>
Proactive community engagement through infrastructure development and CSR initiatives	Communities	+	<ul style="list-style-type: none"> <li> <b>SDG 11.3</b> – Enhance inclusive and sustainable urbanization and participatory planning.</li> <li> <b>SDG 17.17</b> – Promote effective partnerships with local communities and stakeholders.</li> </ul>

# SOCIAL AND RELATIONSHIP CAPITAL

GRI 416-1, 416-2

## CUSTOMERS

### Product Responsibility

As a diversified infrastructure and solutions conglomerate, the AEL Group caters to a broad customer base across both public and private sectors, where reliability, quality, and innovation are paramount. Against this backdrop, product responsibility stands as the core tenet driving the Group's operational architecture.



In keeping with this ethos, expert teams across Group entities work closely with customers to understand their needs and create tailored solutions that aim for 100% customer satisfaction.

To assure consistency and credibility, AEL maintains robust systems aligned with globally recognised benchmarks such as the ISO 9001:2015 Quality Management Standard supported by a strong internal process governance architecture that collectively represents AEL's commitment to delivering high quality solutions. Likewise the ISO 14001:2015 Environmental Management Standard reinforces the Group's focus on sustainable operations by ensuring that all processes are designed to minimise environmental impact, comply with regulatory requirements, and promote continuous improvement in environmental performance across all project lifecycles

AEL also recognises the importance of proactive engagement with regulators and industry bodies to understand evolving standards and guidelines ensuring swift compliance and alignment with industry best practices to continually enhance the quality and reliability of its offerings.

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	100%
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	ZERO
Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	ZERO
Fines / Penalties paid or Warnings received due to non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	ZERO
Incidents of non-compliance concerning product and service information and labelling	ZERO
Incidents of non-compliance concerning marketing communications	ZERO
Substantiated complaints concerning breaches of customer privacy and losses of customer data	ZERO

GRI 417-1.2

### Product and Service Information and Labelling

Given its extensive portfolio cross cutting nine sectors, from Civil Engineering, Construction Materials Production, Mechanical Engineering, Commercial and Condominium Properties, Renewable Energy, Automotive, and Radiopharmaceuticals, the AEL Group adopts a holistic approach to the labelling and the disclosure of product and service information. The Group's principle approach is underpinned by the commitment to transparency and

regulatory compliance with all Group entities adhering to industry-specific regulations and standards governing product information, in their respective sectors.

As a general rule, the Group ensures that information shared with customers, be it through labelling, digital platforms, or technical documentation, is designed to be accurate, accessible, and relevant to the end-use, ensuring users are fully informed about product composition, performance characteristics, safety

instructions and environmental or health impacts where applicable.

GRI 417-3

### Marketing and Customer Communications

Given the AEL Group's diverse presence across nine sectors, the Group's marketing and customer communication strategy reflects its values of professionalism, accountability, and customer-first thinking to ensure all outreach efforts uphold the credibility, transparency, and brand integrity across all business verticals.

## MARKETING AND CUSTOMER COMMUNICATIONS

### Accuracy and Transparency

All marketing and communication materials are designed to present factual, verifiable, and relevant information. The Group avoids exaggeration, misleading claims, or omissions, ensuring that all representations of products, services, and capabilities are truthful and clearly substantiated.

### Compliance with Regulations and Industry Standards

Marketing and promotional efforts strictly adhere to relevant legal and regulatory frameworks, including advertising codes, labelling requirements, and sector-specific compliance obligations, particularly in highly regulated segments like radiopharmaceuticals

### Ethical and Responsible Communication

Marketing practices are governed by strong ethical guidelines. The AEL Group refrains from negative marketing, respects competitor integrity, and avoids any content that could be considered offensive, discriminatory, or socially irresponsible.

### Targeted Marketing

Communications are tailored to meet the specific needs and expectations of target audiences in each sector using diverse channels and platforms that align with customer preferences.

### Consistency Across Mediums

The Group maintains consistency in brand messaging, visual identity, and tone of voice across mediums from digital, print, and in-person channels, reinforcing a unified brand presence while allowing for flexibility to cater to sector-specific nuances.

### COMPLAINT STATISTICS

No. of Complaints Received

59

No. of Complaints Resolved

59

Complaints Resolve Ratio

100%

### Complaint Handling

The AEL Group recognises that effectively managing customer complaints is vital to building trust, maintaining strong relationships, and continuously enhancing the quality of products and services. Understanding that customer feedback, especially when it highlights dissatisfaction, provides invaluable insights into operational gaps, service inefficiencies, or product-related concerns, the Group has established a structured complaint management

process wherein a designated officer is appointed at each operating unit for handling and resolving customer complaints. Every complaint received is formally documented in a complaint register for the purpose of monitoring and accountability, and immediately directed to the relevant officer best positioned to resolve the immediate concern, and then investigate the root cause.

The findings from this investigation are also recorded in the complaint

# SOCIAL AND RELATIONSHIP CAPITAL

register while corrective actions are implemented to address the root cause and prevent recurrence. These actions are later evaluated for effectiveness within a reasonable time frame to ensure the solution has adequately addressed the problem.

To close the loop, feedback is obtained from the complainant to confirm satisfaction with the resolution process.

GRI 418-1

## Customer Privacy and Data Security

The AEL Group considers all personal and business information shared by customers with the highest level of confidentiality and has implemented strict internal protocols and applicable legal and regulatory requirements to

ensure that customer data is collected, processed, and stored securely. Access to such information is limited to authorised personnel only and used solely for the intended business purpose.

## INVESTORS

As a publicly traded entity listed on the Colombo Stock Exchange (CSE), AEL reiterates its commitment to transparent investor relations through proactive efforts to ensure its 9,806 shareholders (representing a 38% equity stake in the Company as at 31st March 2025) are well-informed and actively engaged.

## Investor Engagement

Engagement Mechanism	Frequency
Annual Reports and AGMs	Annually
Extraordinary General Meetings	As required
Interim Financial Statements	Quarterly
Press releases	As required
Announcements on CSE	As required
Corporate Website	Continuous

**Shareholders**



# 9,806

(2023/24 -8,932)

## INVESTOR RELATIONS (IR) FRAMEWORK OF A COMPANY OR ORGANIZATION

### Ensuring Continuous Information Access

In compliance with all mandatory shareholder disclosures required by the CSE to support the timely dissemination of price-sensitive information, AEL ensures continuous access to pertinent information for both individual and institutional investors. Our corporate website ([www.accessengsl.com](http://www.accessengsl.com)) serves as a comprehensive source offering real-time trading information, financial statements, and research reports. This platform is frequently updated with project-related information to keep shareholders informed of the Company's ongoing activities and developments.

### Protecting Shareholders' Rights

AEL protects shareholders' rights by providing timely and sufficient information, allowing effective participation in key decisions, and offering mechanisms

to address grievances. This ensures equitable treatment of all shareholders, including minority and foreign shareholders. We ensure timely and accurate disclosure of significant matters, including financial performance and governance, as required by the CSE Listing Rules. We adhere to prescribed accounting standards when preparing financial statements, considering the interests of all stakeholders.

### Direct Communication Channels

For investor queries, direct communication is available via email at [investor.relations@accessengineeringplc.com](mailto:investor.relations@accessengineeringplc.com). Queries will be reviewed, and if necessary, forwarded to the Directors. They will be addressed at the next Board meeting or sooner if the matter is urgent.

### Timely Disclosures and Reporting

Quarterly financial statements are uploaded to our website and submitted to the Colombo Stock Exchange in compliance with Listing Rule No. 7.4.a(i)1 for the benefit of our stakeholders. Annual Reports are uploaded to our website and submitted to the Colombo Stock Exchange within five months of the financial year's end, in accordance with Listing Rule No. 7.5.a(i). We also provide shareholders with additional updates on any matters that concern them as they arise.

Through these efforts, AEL continues to uphold its commitment to transparency, accountability, and shareholder engagement, ensuring that all stakeholders are well-informed and have the necessary information to make informed decisions.

## Submission to CSE

Interim Financial Statements	Due Date	Actual Release Date
Three months ended 30th June 2024	15th August 2024	8th August 2024
Six months ended 30th September 2024	15th November 2024	13th November 2024
Nine months ended 31st December 2024	15th February 2025	13th February 2025
Twelve months ended 31st March 2025	31st May 2025	30th May 2025

Annual Report 2023/24	Due Date	Actual Release Date
Publication of Annual Report	31st August 2024	27th August 2024
13th Annual General Meeting held on	30th September 2024	23rd September 2024

Annual Report 2024/25	Due Date	Actual Release Date
Publication of Annual Report	31st August 2025	22nd July 2025
14th Annual General Meeting to be held on	30th September 2025	27th August 2025

GRI 204 - 1, 308 - 1, 308 - 2, 414-2

## SUPPLIERS

### Supplier Overview

Category	Number of Vendors as at 31.03.2024	Vendors Added from 01.04.2024- 31.03.2025	Total Vendors as at 31.03.2025
Foreign Vendors	699	49	748
Local Vendors	21,282*	1,129	22,411
Intercompany Vendors	38*	2	40
Internal Vendors	134	2	136
Total	22,153*	1,182	23,335

\* Restated

Local Suppliers
 <b>96%</b> (2023/24 - 96%)

New Suppliers
 <b>1,182</b> (2023/24 - 1,148)

### Material Purchase Overview

	2024/25	2023/24	Variance
Material Purchases	LKR 8,636,065,767	LKR 5,843,085,677	48%
Material purchases as a percentage of Cost of Sales	40%	42%	-3%

### AEL Group Supply Chain

Access Engineering PLC maintains a robust and diverse supplier base who make a vital contribution for the continuity of Group operations. Typically the AEL's supplier network spans across four main categories:

- » International vendors
- » Local vendors
- » Internal divisions functioning as suppliers
- » Inter-company vendors within the Group

# SOCIAL AND RELATIONSHIP CAPITAL

On average, international suppliers contribute to approximately 4% of the Group’s annual procurement spend. The AEL Group’s procurement and supply chain strategies are aligned to ensure the uninterrupted availability of critical inputs, enabling smooth and efficient operations across all its entities. To strengthen supply chain resilience and broaden sourcing options, the Group seeks to expand its supplier base through the following mechanisms:

- » Project-specific suppliers located in geographic proximity to new project sites.
- » Public newspaper advertisements inviting vendors for specialised trades (e.g., carpentry, aluminium work).
- » Contacts obtained through the participation in domestic and international construction trade exhibitions and fairs to identify new vendors and technologies.
- » Recommendations from foreign clients or project owners, especially for the introduction of international vendors

## Procurement Best Practices

The AEL Group upholds globally accepted procurement best practices in the selection and onboarding of suppliers. All procurement activities are governed by Standard Operating Procedures (SOP’s) that are subject to audit. As per the SOP’s scorecard method is used to evaluate new suppliers based on technical criteria. The evaluation process also places significant emphasis on suppliers’ commitment to environmental

and social practices with priority given to those in possession of ISO 14001:2015 and ISO 45001:2018 certifications. Of the total score, 10% weightage is assigned to environmental commitment. Meanwhile suppliers involved in public-sector contracts are subject to additional regulatory requirements as stipulated by relevant authorities. Site inspections, quality sampling, reference verifications, factory audits, and test reports are also sought as needed to determine supplier integrity.

AEL enforces a Supplier Code of Conduct that requires all long-term and high-value suppliers to adhere to standards relating to workplace safety, fair treatment, and ethical business conduct. The Code is communicated upfront via the Request for Quotation (RFQ) process and is contractually binding upon selection, forming part of the supplier agreement.

Supplier Evaluation Criteria		
 <p><b>Technical</b></p>	 <p><b>Social</b></p>	 <p><b>Environmental</b></p>
<ul style="list-style-type: none"> <li>» Scope and specifications of work</li> <li>» Pricing and cost-effectiveness</li> <li>» Project commencement and completion timelines</li> <li>» Compliance with insurance requirements (for works and workmen) - Participation in pre-bid meetings</li> <li>» Availability of BOQs, technical drawings, and specifications</li> <li>» Testing, commissioning, and quality assurance protocols</li> <li>» Contractual terms and payment schedules</li> <li>» Training and knowledge transfer obligations</li> <li>» Warranty and defect liability provisions</li> </ul>	<ul style="list-style-type: none"> <li>» Adherence to labour welfare and social security obligations</li> <li>» Fair treatment, diversity, and inclusion</li> <li>» No use of child or forced labour</li> <li>» Non-discrimination on any grounds</li> <li>» Ethical business conduct and good governance practices</li> </ul>	<ul style="list-style-type: none"> <li>» Compliance with environmental management requirements</li> <li>» Site cleanliness and responsible disposal practices</li> <li>» Minimization of environmental impact (air, water, soil)</li> <li>» Support for sustainable sourcing and materials</li> </ul>

### Supplier Relations

Acknowledging that strong supplier relationships are essential to ensuring continuity, quality, and transparency across its operations, the AEL Group has implemented “SAP Ariba,” its proprietary digital e-procurement platform to engage suppliers and promote compliance with governance standards.

Additionally, regular meetings, both virtual and face-to-face are held for the purpose of technical clarifications and continuous performance monitoring.

GRI 203-1, 203-2, 413-1, 413-2

### COMMUNITY

#### Positive and Negative Impacts to the Community owing to AEL Group Operations

##### Positive impacts

- » Supporting transportation and mobility
- » Providing access to safe and clean water
- » Facilitating public infrastructure and utilities such as telecommunication, energy, water etc.
- » Creation of direct and indirect employment opportunities across Sri Lanka
- » Boosting the national economy through port and airport operations



##### CSR Focus



Local Community Development - Salvation Army Elders Home



Investment in Digital E-Procurement

**LKR 14.4 Mn**

## SOCIAL AND RELATIONSHIP CAPITAL

Negative impacts and Mitigating Actions	
Damages to utility supplies during road works	<ul style="list-style-type: none"> <li>» Using equipment to detect underground utilities in order to implement necessary preventive measures</li> <li>» Taking prompt actions to restore/repair</li> </ul>
Hazardous areas of workplaces where road works, telecommunication works, etc. are being carried out.	<ul style="list-style-type: none"> <li>» Barricading the working area</li> <li>» Using safety sign boards</li> <li>» Allocation of traffic control signalmen to effectively manage traffic in accordance with the the Traffic Management Plan</li> </ul>
Public inconvenience on mobility	<ul style="list-style-type: none"> <li>» Notices to raise public awareness about affected areas</li> <li>» Providing alternative options for access and egress of people and for parking as necessary</li> <li>» Ensuring isolation of traffic and people with proper engineering controls</li> <li>» Allocation of traffic control signalmen to effectively manage traffic in accordance with the the Traffic Management Plan</li> </ul>
Air quality degradation	<ul style="list-style-type: none"> <li>» Using sprinklers to control dust emitted from plant operations</li> <li>» Carrying out periodic air emission tests vehicles, machineries and plants</li> <li>» Periodically monitoring environmental air quality at site premises by a third party</li> <li>» Provide office facilities with full air-conditioned</li> </ul>
Vibration and crack propagation	<ul style="list-style-type: none"> <li>» Conducting pre-crack survey before commencement of a project</li> <li>» Continuous measuring and monitoring the level of vibration</li> <li>» Limiting the time of operations of vibratory equipment</li> <li>» Conducting crack surveys and rectifying at the end of the project</li> </ul>
Noise disturbance	<ul style="list-style-type: none"> <li>» Monitoring noise levels to ensure they are within prescribed limit ranges by the regulatory bodies</li> <li>» Ensuring that construction machinery such as generators, diesel operated air compressors, etc. have been fitted with silencers to reduce noise</li> <li>» Installation of equipment in sound-proofed rooms</li> <li>» Restricting operations of high noise generated equipment/ plants at night time</li> </ul>
Cultural issues	<ul style="list-style-type: none"> <li>» Appointing a Public Relationship Officer to build relationship with the local community</li> <li>» Carrying out CSR projects in partnership with the local communities</li> </ul>

### Community Relations Framework

The AEL Group adopts a proactive approach to managing its environmental and social footprint, with a strong emphasis on early planning and meaningful community engagement. Accordingly for all large projects, a dedicated Public Relations Officer (PRO) is appointed to serve as the primary liaison between the Company and local communities. The PRO is responsible for maintaining continuous communication with community leaders, facilitating

dialogue, coordinating CSR initiatives, and addressing grievances to foster trust and goodwill.

Moreover, every new project undertaken is subject to a mandatory Environmental and Social Impact Assessment (ESIA), which involves detailed data collection, site analysis, and expert consultations. The ESIA process provides a thorough understanding of potential environmental impacts including air and water quality, noise pollution, and ecological disruption, as well as the broader social implications for surrounding communities.

Based on the findings of the ESIA, an Environmental and Social Management Plan (ESMP) is developed to outline concrete mitigation strategies, including protocols for

risk management, environmental monitoring, emergency response, and the sustainable use of resources in compliance with regulatory requirements and adherence to global best practices.

Both the ESIA and ESMP are submitted to the relevant authorities for review and approval as part of the permitting and licensing process, reinforcing AEL's commitment to responsible project execution and environmental stewardship.

These efforts are further supported by the Group's CSR initiatives. Guided by the AEL Group, Social Responsibility Policy four thematic areas are prioritised: Local Community Development, Human Capacity Building, Industry Advancement, and Environmental Stewardship.

Investment in CSR & Donation

LKR 3.7 Mn

(2023/24 - LKR 2.9 Mn)

FOCUS FOR THE FUTURE	
Short Term - Medium Term Plans	Long Term Plans
Invest in the SAP Ariba E-Procurement system to enable suppliers to participate in live online tenders with real-time visibility of their ranking within each specific tender	Leveraging real-time data and analytics to monitor suppliers' ESG compliance, risk profiles, and improvement actions, creating a transparent and accountable procurement ecosystem.

# NATURAL CAPITAL



## Management Approach

Understanding the profound impact construction activities have on the environment, the AEL Group maintains a holistic approach to managing Natural Capital based on the overarching mandate set out under the Group Environmental Policy. AEL strives for leadership in environmental compliance by adhering to all relevant laws and regulations. These efforts are further augmented by the fully fledged Environmental Management System (EMS) certified under the ISO 14001:2015 Environmental Management Standard. These efforts are complemented by continuous and ongoing training and awareness. Further extending its impact, AEL also undertakes high impact environmental projects that support the broader national agenda for biodiversity conservation and environmental preservation.



## Material Matters

- » Energy
- » Water
- » Waste
- » Emissions, Environment, and Biodiversity



## Inputs

- » Environmental and Social Impact Assessment
- » ISO 14001:2015 Environmental Management System (for managing energy, emissions, water, effluents and waste)
- » Environmental Projects



## Highlights for FY 2024/25

- » **51%** year on year reduction in paper consumption
- » **>100** trees planted
- » Commissioned a landmark **6.6 MW** solar installation at the Access Industrial and Logistics Park, expected to offset **4,537 MT** of carbon emissions annually.
- » **30%** year on year reduction in total water consumption

## Outcomes / Outputs

Outputs for AEL and Impact on Other Capitals	Stakeholder Impacted	Impact on Capitals	SDG(s) with Targets
Potential cost savings from buildings and infrastructure that are energy efficient and carry a lower waste footprint	Shareholders		<ul style="list-style-type: none"> <li>+  SDG 7.3 – Double the global rate of improvement in energy efficiency.</li> <li>+  SDG 12.2 – Achieve sustainable management and efficient use of natural resources.</li> </ul>
More resilient infrastructure minimises downtime and ensures uninterrupted product and services delivery	Customers		<ul style="list-style-type: none"> <li>+  SDG 9.1 – Develop quality, reliable, sustainable infrastructure to support economic development and human well-being.</li> <li>+  SDG 13.1 – Strengthen resilience and adaptive capacity to climate-related hazards.</li> </ul>
Increased trust and investor confidence from knowing they are working with an environmentally responsible company	Shareholders		<ul style="list-style-type: none"> <li>+  SDG 12.6 – Encourage companies to adopt sustainable practices and integrate sustainability information into their reporting cycle.</li> <li>+  SDG 13.3 – Improve education and awareness for climate change mitigation and sustainability.</li> </ul>
Ability to form stronger business relationships with suppliers due to shared commitment to environmental sustainability	Suppliers / Business Partners		<ul style="list-style-type: none"> <li>+  SDG 17.17 – Encourage effective partnerships between the private sector and other stakeholders.</li> <li>+  SDG 12.7 – Promote sustainable public procurement practices in line with national priorities.</li> </ul>

## ENVIRONMENTAL AND SOCIAL IMPACT ASSESSMENT (ESIA)

The Environmental and Social Impact Assessment (ESIA) forms an integral part of AEL's efforts to understand environmental impacts associated with business operations. The ESIA is accompanied with an Environmental and Social Management Plan (ESMP) outlining specific measures to manage and mitigate identified risks, including monitoring procedures, emergency response strategies, and sustainable resource use guidelines to maintain environmental compliance and best practices throughout the project lifecycle. Both the ESIA and the ESMP are mandatory pre requisites for all large scale projects and require formal approval of relevant regulatory bodies.

## ISO 14001:2015 ENVIRONMENTAL MANAGEMENT SYSTEM (EMS)

The EMS serves as a comprehensive framework for monitoring and managing key environmental aspects, including water and electricity consumption, as well as tracking progress against targets for waste and effluent management. To ensure ongoing effectiveness and continual improvement, the EMS is supported by regular internal audits and periodic external audits conducted as part of the ISO 14001:2015 certification process.

GRI 2-25, 2-27, 305-6

### Environment Impact Management Framework

Operations with significant actual and potential negative impacts on the environment		Mitigation Strategies Adopted by AEL
Road / Bridge Projects / Quarry Plants	Felling of trees to gain space for road construction	Minimising the number of trees to be cut during project design/ execution Investing in tree planting programmes
Piling Operation	Noise and dust generation as well as crack propagation in surrounding structures	Regular monitoring of noise and dust levels and the use of bentonite slurry
Concrete batching plants	Water and land pollution due to cement contamination	Onsite wastewater treatment to improve quality of water discharge
Mechanical Workshop	Waste oil, burnt oil generation and hazardous waste (e.g. oil filters, empty chemical containers, etc.) resulting in water and land pollution,	Handing over to CEA-approved burnt oil handler for reuse/recycle Commissioning secondary containment units for storage of hazardous waste
Crusher Plants	Dust generation resulting in air quality degradation	Using sprinklers to control dust emitted from plant operations Construction of dust barriers to prevent spreading of dust

### Environment, statutory, and other compliance requirements

Legislation	Application to AEL
National Environment Act No. 47 of 1980, National Environment Act (Amendment) Act No. 56 of 1988, National Environment Act No. 53 of 2000 and Rules and Regulations of the Central Environmental Authority	Obtaining environmental protection license for emission or disposal of waste Provision with respect to the powers, functions and duties of the Authority and provision for the protection and management of the environment and for the matters connected therewith Protection of the environment and quality regulations Compliance with noise control measures Compliance with air quality regulations and standards Compliance for ozone depleting substances Compliance with mobile air emission standards Compliance with vehicular exhaust emission standards/ fuel standards and exhaust emission standards for importation of vehicles

# NATURAL CAPITAL

Legislation	Application to AEL
Mines and Minerals Act No. 33 of 1992	Obtaining trade license and industrial mining license
Coast Conservation Act No. 57 of 1980	Compliance in harbour and marine work projects
Marine Pollution Prevention Act No. 59 of 1981	Compliance in harbour and marine work projects
Fauna and Flora Protection Ordinance 1981 (Consolidated status up to 2006)	Protecting fauna and flora
Felling of Trees (control) Act No. 9 of 1951	Compliance in activity of felling trees
Forest Ordinance	Compliance in operating production plants in a forest area
Mahaweli Authority Act No. 23 of 1979	Compliance for workstations situated under Mahaweli Authority
Municipal Councils Ordinance	Compliance when working in municipal council areas
Prevention of Mosquito Breeding Act No. 11 of 2007	Compliance with the prevention of mosquito breeding; for the eradication of places of mosquito breeding and for matters connected there with or incidental thereto
Pradeshiya Sabha Act No. 15 of 1987	Compliance when working in Pradeshiya Sabhas
Soil Conservation Act (Amendment) No. 24 of 1996	Compliance for the enhancement and substance of productive capacity of the soil; to restore degraded land for the prevention and mitigation of soil erosion; for the conservation of soil resources and protection of land against damage by floods, salinity, alkalinity water logging, brought and to provide for matters connected therewith or incidental thereto
Antiques Ordinance	Compliance when working in Archaeological Department areas
State Land Ordinance	Compliance when working on land
North Western Provincial Environmental Statute No. 12 of 1990	Compliance when working in the North Western Province

There were no incidents of non-compliance relating to environmental regulations reported in the FY 2024/25

GRI 302-1, 302-3

## ENERGY MANAGEMENT

The AEL Group relies on a diversified energy mix to power its operations. Electricity is primarily utilised for equipment and lighting needs, while diesel, and heavy fuel oil (HFO), are used to power construction machinery, generators, and the Group's vehicle fleet.

Energy consumption across all sources is meticulously monitored

through the Group's ISO 14001:2015 certified Environmental Management System (EMS). Any deviation from established consumption benchmarks triggers a structured investigation process, including root cause analysis, to promptly identify and rectify inefficiencies or operational irregularities, ensuring continuous improvement and enhanced energy accountability.

The FY 2024/25 marked a significant milestone in the Group's efforts to diversify its energy mix following the commissioning of AEL's first ever solar installation.

 Total Energy Consumption

**375,818 GJ**

(2023/24 - 229,518 GJ)

## Energy intensity within the organization

Type of Energy	2024/25	2023/24	Variance
Total Energy Consumption (GJ)	375,818	229,518	64%
Year-end number of employees	1,574	1,277	23%
Energy intensity measured in terms of energy consumption per employee (GJ)	239	180	33%

**Energy Consumption within the organization**

Type of Energy	2024/25	2023/24	Variance
	Total Energy Consumption (GJ)	Total Energy Consumption (GJ)	
Diesel	284,363	219,976	29%
Petrol	7,157	5,908	21%
Kerosene	9.03	7.89	14%
Furnace oil	77,625	N/A	N/A
Electricity	6,665	3,626	84%
Total	375,818	229,518	64%

**Key Commitments to improving Energy Efficiency within the Group**

Energy efficiency is a key consideration when purchasing new machinery and equipment. Choosing the appropriate capacity and size for electrical equipment based on the specific requirements, avoiding excessive/ unnecessary capacity.

Enhancing energy efficiency of three-phase connections through power factor correction equipment Incorporating natural ventilation and lighting whenever possible to minimise electricity consumption at construction sites

offices, restrooms, and meal rooms Raising awareness among employees to reducing switch off idling air conditioners and lights and promote overall energy saving practices Investing in central air conditioning to facilitate independent control air conditioning for separate compartments inside the building such as meeting rooms, meal rooms, etc.

Installing separate lighting systems for multiple zones that can be operated individually to avoid unnecessary use of lights. Regularly monitor monthly electricity consumption to identify any abnormalities and take appropriate actions accordingly.

**AEL GROUP MARKS ITS ENTRY TO LARGE SCALE RENEWABLE ENERGY INVESTMENT**

Situated within the Access Industrial and Logistics Park in Kimbulapitiya, AEL Group marks Its entry to large this landmark 6.6 MW solar power installation marks the AEL Group’s first large-scale investment in renewable energy infrastructure. The facility features 11,850 high-efficiency solar PV panels, each rated at 595 W, and is scale renewable energy investment powered by 22 inverters with a capacity of 330 kVA each. Impressively executed within just four months, the project is expected to offset approximately 4,537 metric tons of carbon emissions annually, significantly advancing the Group’s long-term sustainability ambitions.

This LKR 2,960 Mn investment represents the Group’s broader commitment to strategically diversify its renewable energy portfolio and play a leading role in accelerating Sri Lanka’s transition toward a greener, low-carbon economy.



# NATURAL CAPITAL

Energy Conservation Initiatives across the Group	
<b>Access Realities</b>	<ul style="list-style-type: none"> <li>» Commissioning of Magnetic Bearing Chillers - High efficiency (low friction less energy waste) vs. conventional chillers.</li> <li>» Implementation of the Smart Load Management system software to adjust pump speeds based on real-time demand, reducing electricity consumption.</li> </ul>
<b>Harbour Village</b>	<ul style="list-style-type: none"> <li>» Installing EV charging stations on all parking floors to support zero-emission vehicles.</li> <li>» Installed energy-efficient Variable Refrigerant Volume (VRV) air conditioning systems, and the facade features high-performance, thermally insulated glass walls to reduce heat gain and enhance overall energy efficiency.</li> </ul>

GRI 305-1, 305-2, 305-7

## EMISSION MONITORING

The operations of the AEL Group, by nature and scale, contribute to several forms of atmospheric emissions. Key among these are emissions from fuel-powered equipment and generators, which release carbon dioxide (CO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>), and particulate matter (PM). In addition, asphalt plants operated by the Group emit stack pollutants such as volatile organic compounds (VOCs) and other by-products during incineration processes.

To ensure accountability and continuous environmental performance, all emissions from fuel-driven machinery and generators, including those from routine backup generator tests, are closely tracked via the Group's Environmental Management System (EMS). To further enhance emission control and operational efficiency, AEL engages third-party specialists to carry out independent performance testing and emissions verification of its machinery.

Stack emissions at asphalt plants are systematically monitored in compliance with the Environmental Protection Licence (EPL) requirements. Demonstrating its commitment to go beyond regulatory compliance, the Group has also initiated steps to monitor indirect emissions and pollutants arising from the transportation of imported raw materials via sea and air freight, reflecting a broader, lifecycle-based approach to emissions management.

## Emission Data

Type of Emission	Type of Energy	Units Consumed	Conversion Ratio	2024/25	2023/24	Variance
				Total CO2 Emission	Total CO2 Emission	
Direct	Diesel (Ltr)	7,256,580.12	2.74	19,883,029.54	15,380,998.76	29%
Direct	Petrol (Ltr)	213,612.26	2.28	487,035.94	402,037.44	21%
Direct	Kerosene (Ltr)	251.46	2.52	633.68	553.9	14%
Direct	Furnace oil (Ltr)	1,819,613.24	3.167	5,762,715.13	N/A	N/A
Indirect	Electricity (kWh)	1,851,265	0.71	1,314,397.97	715,220.77	84%
Total				27,447,812.25	16,498,810.87	66%

## Number of Import Consignments

Mode of Transport	2024/25	% of Total	2023/24	% of Total	Variance (%)
Air	23	11	11	18	109
Sea	181	89	51	82	255
Total	204	100	62	100	229

GRI 303-1, 303-3, 303-5

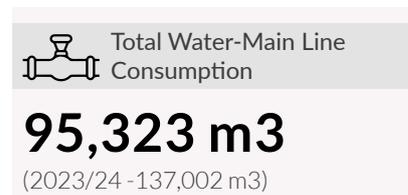
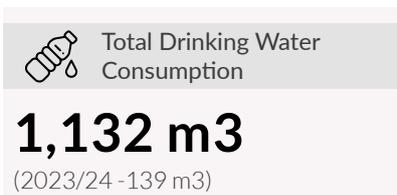
## CONTROLLING WATER AND EFFLUENTS

Water plays a critical role in the day-to-day operations of the AEL Group. In the Civil Engineering and Construction Materials segments, water is a vital input for achieving the correct consistency and strength of concrete mixes and is used extensively in curing processes to preserve moisture levels, essential for attaining the desired durability and structural integrity of concrete. Water is also indispensable for material mixing, dust suppression, equipment cleaning, and meeting the sanitation and drinking needs of the on-site workforce.

All operational water requirements across the Group are sourced from local municipal supply lines, while drinking water is procured through certified third-party providers to ensure quality and safety. In keeping with the Group's commitment to environmental stewardship and responsible resource use, all major construction sites are governed by a comprehensive water management plan. These plans incorporate practical

strategies to reduce consumption and include the deployment of water metering systems, which allow for real-time monitoring and accurate tracking of usage at site level.

To support these technical measures, the Group conducts regular training and awareness programmes to educate employees on the importance of sustainable water use and to cultivate a culture of accountability.



### Key Commitments to Minimising Water Wastage and Managing Effluents within the Group

Comprehensive water management plan at all large projects, including Standard Operating Procedures (SOP's) for Sediment and Erosion Control and Stormwater Management

Investing in on-site wastewater treatment plant in compliance with the Environmental Protection Licence (EPL) for the proper treatment of wastewater to ensure

oil and grease separation process in accordance with CEA guidelines, prior to discharge into municipal drainage systems Investing in rainwater harvesting in compliance with CEA and UDA guidelines Installation of water-saving fixtures such as faucets, showers, and water closets were chosen based on optimal water consumption rates.

General water saving practices through the integration of a gravity-based water delivery system along with a triplex booster system equipped with Variable Frequency Drives (VFD) Effluent Monitoring and Reporting through the EMS

### Water Management Initiatives across the Group

<b>Access Logistics</b>	» Construction of a detention pond with a capacity of 30 million litres and a surface area of 16,165 square meters alongside a high-capacity drainage system extending 2.5 kilometers to manage excess runoff ensuring effective water flow and flood mitigation
<b>Harbour Village</b>	» Rainwater harvesting infrastructure with a storage capacity of 90 m <sup>3</sup> (90,000 litres) has been constructed, incorporating a filtration system to enable the reuse of collected water for landscape irrigation on Level 4 and the ground.

### Water Related Impacts attributed to the AEL Group

Damage to Water Bodies - Surface runoff which may contain various contaminants, chemicals, and other pollutants generated from construction activities can lead to depositing sedimentation and pollution of nearby water bodies

Damage to Ecosystems - Improper handling and disposal of construction materials such as such as cement, chemicals, fuels, and oil can lead to the contamination of inland water bodies

Groundwater Impacts - Construction activities can disrupt natural hydrological patterns and alter groundwater flow, while excavation and dewatering practices may lower the water table, potentially impacting local wells and underground water sources

Habitat Destruction - Land clearing for construction purposes can result in the destruction of natural habitats, wetlands, and riparian zones, all of which play crucial a role in water filtration, flood control, and the support of aquatic ecosystems

# NATURAL CAPITAL

Effluent Related Impacts attributed to the AEL Group	
Runoff water containing suspended solids such as sediment, soil particles, and construction debris could potentially contaminate nearby water bodies, obstruct drainage systems, and cause soil erosion or localized flooding	During the piling stage, a certain amount of bentonite slurry mixed with soil is discharged which has the potential to run off into the inland water bodies
Construction Various chemicals, fuel, lubricants and construction materials that can potentially contaminate the water. Examples include paints, solvents, adhesives, concrete additives and cleaning agents	Concrete production is a significant aspect of construction projects, and washing the equipment with residual concrete can lead to the discharge of cementitious materials into water sources. These materials can affect water quality and have negative impacts on aquatic life.
Wastewater generated from construction processes, such as equipment cleaning, concrete mixing, and site dewatering which can contain pollutants such as oil, grease, heavy metals, and construction-related chemicals, which if not treated could be harmful to flora and fauna ecosystems	

Effluents generated through AEL Group's day-to-day operations are managed with rigorous environmental oversight, ensuring minimal impact on surrounding ecosystems. Wastewater generated at construction sites is directed to on-site Effluent Treatment Plants (ETP) established in compliance with the conditions outlined in the Environmental Protection Licence (EPL) issued by the Central Environmental Authority. Accordingly, key parameters such as Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), Total Suspended Solids (TSS), and pH are continuously monitored with results further validated by independent third-party testing conducted on a quarterly basis.

Effluents that meet the prescribed discharge criteria are safely released into the public drainage system, while sludge by-products are separated and retained in dedicated sedimentation tanks for responsible disposal. In line with international best practices, AEL has also implemented erosion and sediment control measures, such as sediment barriers, silt fences, and sediment ponds to prevent the runoff of construction-related pollutants into adjacent water bodies. Additionally, all project sites are equipped with engineered stormwater management systems designed to collect, treat, and safely discharge stormwater runoff, thereby safeguarding local hydrological systems and maintaining regulatory compliance.

Meanwhile water used for sanitation and cleaning purposes is captured in soakage pits.

GRI 306-1, 306-2

## WASTE MANAGEMENT

Waste generated by the AEL Group is broadly categorised as hazardous and non-hazardous, with clearly defined Standard Operating Procedures (SOPs) in place for the safe handling, storage, transportation, and disposal of each waste type.

The Group's approach to non-hazardous waste management is underpinned by a strong commitment to the waste hierarchy that prioritises Reduce, Reuse, Recycle with the ultimate goal of minimising waste sent to landfills.

Hazardous waste is handled with heightened precautions in line with

applicable regulatory guidelines and international best practices. As such, these materials are stored in secure, clearly marked containers in designated hazardous waste storage areas with restricted access. Disposal is carried out exclusively through licensed third-party waste handlers authorised by the Central Environmental Authority (CEA), ensuring safe and environmentally responsible treatment, incineration, or disposal. Detailed records are maintained for all hazardous waste movements to ensure full traceability and regulatory compliance.

Additionally, employees across the Group are regularly trained on waste segregation and disposal protocols, while waste audits and inspections are carried out to evaluate adherence to procedures and identify opportunities for improvement.

## Paper Consumption Data

Type of paper	2024/25	2023/24	Variance
A3 80 GSM	448	1,995	-78%
A4 80 GSM	4698	8,575	-45%
A5 80 GSM	94	62.5	50%
Total	5240	10,633	-51%

### Key Commitments towards Waste Management within the Group

Adoption of best practices to reduce waste generation at the source such as selecting materials with minimal waste potential

Providing separate bins or containers for sorting and segregation of different types of waste, including general waste, recyclables, hazardous waste, and construction debris.

Clear signage and education programmes to help workers understand and follow the waste segregation requirements. Prioritise recycling and reuse of materials through partnerships with recycling facilities and

coordinating the collection, sorting, and processing of recyclable materials such as concrete, timber, metal, and plastics

Working with licensed waste haulers and disposal facilities to ensure waste is handled, transported and disposed of properly in compliance with local regulations and guidelines. Where possible and practical salvaging and reclaiming materials from demolition and renovation projects to be repurposed for reuse in future projects

Secure storage techniques are used to avoid material wastages. DMS (Document Management System) to reduce paper consumption.

### Reduce / Reuse / Recycle Initiatives Practiced across the AEL Group

#### Civil Engineering Segment

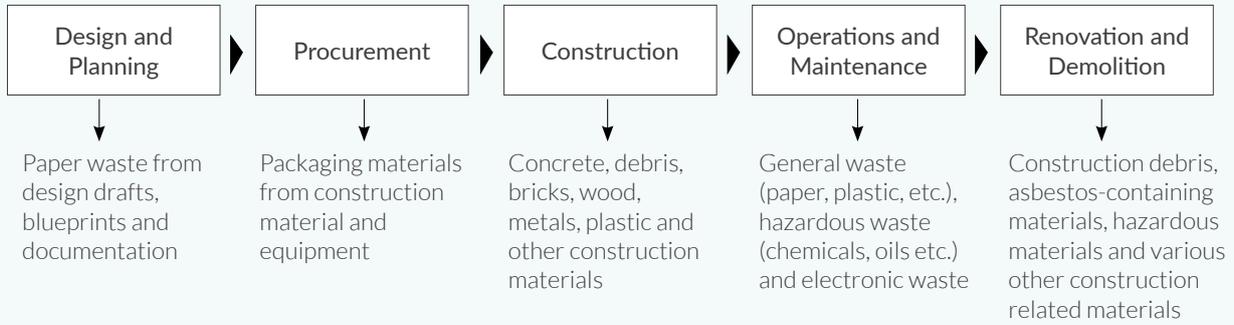
- » Scrap steel from operations are collected and sold to third-party agents for reuse in their operations
- » Existing paved concrete on certain road projects are crushed and re-used for the base preparation in road works projects.
- » Excavated soil is reused for backfilling with the prior approval of the client
- » Leftover concrete in the mixer truck is used to cast paving blocks at the batching plants as well as some of the sites
- » Reinforcement scraps are used to erect chairs in the cafeteria, carts to move materials and buckets to be used for the crane

#### Construction Materials Segment

- » Cement contaminated water generated in the batching plants are sent through a sedimentation process and reused for washing of mixer trucks and other vehicles.
- » Broken cement bricks are used for backfilling after crushing/ sieving
- » Use of Manufactured Sand & washed Quarry Dust whenever possible to minimize the use of river sand
- » Introduction of Dump Ash for AAC Production as an environmentally friendly substitute for fly ash in the production of Autoclaved Aerated Concrete (AAC). The company invested in a new ball mill processing line to refine the dump ash into a usable form, optimising its particle size and consistency

## RESPONSIBLE WASTE DISPOSAL – AEL GROUP

### AEL's Waste Generation Profile



#### Disposal of Non-Hazardous Waste

Non-hazardous construction and demolishing debris are use for landfills

Following are collected and sent to CEA approved agents for recycling and reusing purpose:

- » Waste papers
- » Barricade tapes – HDPE wastes
- » Used batteries – Glass wool

#### Disposal of Hazardous Waste

- » Hazardous waste generated at site (burnt oil filters, etc.) are disposed via CEA approved agents for recycle and reusing purposes
- » Bentonite wastes are disposed as per the CEA/MC recommended methods only in approved locations
- » Electronic wastes are collected and disposed via a CEA-approved agent
- » Sludge accumulated in the concrete batching plants is used for back filling on public requests after approval from the relevant authorities



**BIODIVERSITY CONSERVATION**

Most construction sites are located in urban areas where the risk of impacting local biodiversity is minimal. However, the notable exception to this is the Company's quarry, crusher, and asphalt plant in Vavuniya which presents a potential negative impact on the biodiversity and ecosystems in and around this area. In this regard, the AEL Group's long standing tree planting project - 'Husma Dena Thuru' is an ongoing initiative aimed at offsetting any adverse effects of the Vavuniya quarry operations on local biodiversity.

Location/Project	Land extent	Description of operation	Ownership of land	Position in relation to the protected / threatened area	Type of operation	Biodiversity value	Listing of protected status (if applicable)
Vavuniya Quarry, Crusher Plant and Asphalt Plant	2.1 hectares	Production of asphalt	Leased	Adjacent to	Manufacturing	Terrestrial	Forest Conservation Department

Additionally during the financial year, the company supported the "Life to Our Forests" project, which received certification from Preferred by Nature under the Ecosystem Restoration Field Verification Standard V3.1. The project covers 12 hectares within the Kanneliya Conservation Forest, reinforcing our commitment to ecosystem restoration and biodiversity conservation.

**TREE PLANTING INITIATIVES**

As part of our commitment to environmental stewardship, Access Group carried out tree planting activities across multiple project sites during the year. A total of 139 trees, including native and fruit-bearing species such as Mee, Mango, Orange, and Kumbuk, were planted at locations including the Central Expressway, Kotadeniyawa, Meerigama, and Kaduwela. These efforts contribute to biodiversity conservation and support our long-term sustainability objectives.



**FOCUS FOR THE FUTURE**

Short Term - Medium Term Plans	Long Term Plans
<ul style="list-style-type: none"> <li>» Continue reforestation and tree planting across project sites to restore green cover and enhance local ecosystems.</li> <li>» Strengthen site-level environmental management practices, including soil erosion control, water conservation, and air quality monitoring.</li> <li>» Expand partnerships with local authorities and communities for biodiversity protection and habitat restoration.</li> <li>» Implement regular environmental awareness and training programmes for employees and subcontractors.</li> </ul>	<ul style="list-style-type: none"> <li>» Integrate nature-based solutions into infrastructure design to preserve ecosystems while delivering sustainable engineering outcomes.</li> <li>» Establish biodiversity corridors and green buffers within major project developments.</li> <li>» Work towards achieving net positive impact on biodiversity through measurable restoration targets.</li> <li>» Leverage technology and data to track natural capital performance and improve environmental resilience across our operations.</li> </ul>

## CAPITAL TRADE - OFFS

We weigh the trade-offs among different capital investments to optimize positive results and minimize value loss. To build a resilient organization, we evaluate the availability and quality of capital resources, balance short-term and long-term goals, and make strategic decisions to generate lasting value while mitigating immediate adverse effects. This process involves careful consideration of the trade-offs involved, ensuring that our decisions contribute to sustainable growth and resilience.



### Financial Capital

Growth in Company Revenue	60%
Company PAT Growth	195%
Dividend Per Share	LKR 2



### Manufactured Capital

Invested in Property Plant and Equipment	LKR 297 Mn
Invested in Upgrading IT Systems	LKR 35 Mn
Location of Production Plant	30



### Intellectual Capital

Standards and Certifications (Highest Grade Achieved)	15
Expenditure on ISO Certification	LKR 1.7 Mn



### Human Capital

Payments to Employees	LKR 2,450 Mn
Investment in Employee Training	LKR 3 Mn
Total Training hours	2,750 Hrs



### Natural Capital

Energy Consumption	375,818 Gj
Water Consumption	96,455 m3
Paper Consumption	5,240 Kg
No. of Trees Planted	> 100



### Social and Relationship Capital

No. of New Suppliers	1,182
Customer Complaints Resolved	100%
Investment in Donation & CSR	LKR 3.7 Mn
Shareholders	9,806

# GOVERNANCE AND STEWARDSHIP



## Steadying the Horizon

At Access Engineering PLC, we uphold stability through principled leadership and sound governance. By maintaining transparency, integrity, and accountability, we safeguard stakeholder trust and ensure that our progress is rooted in responsibility and resilience.

168	Board of Directors
172	Corporate Management Team
176	Corporate Governance
207	Statement by the Senior Independent Director
208	Nomination and Governance Committee Report
210	Audit Committee Report
213	Related Party Transactions Review Committee Report
215	Remuneration Committee Report
217	Investment & Subsidiary Performance Monitoring Committee Report
219	Managing Risks and Opportunities
231	Investor Relations
236	GRI Content Index
244	Independent Assurance Report To Access Engineering PLC

## BOARD OF DIRECTORS



**Seated (Left to right)** - Dalpadoruge Anton Rohana Fernando, Sumal Joseph Sanjiva Perera,

**Standing (Left to right)** - Condagamage Vajira Kulatilaka, Manoha Jude Sergius Rajakariar, Ranil Prasad Pathirana



**Seated (Left to right)** - Joseph Christopher Joshua, Saumaya Dharshana Munasinghe

**Standing (Left to right)** - Shevantha Harindra Sudharaka Mendis, Shamal Perera, Dilhan Perera

## BOARD OF DIRECTORS

### **SUMAL JOSEPH SANJIVA PERERA**

#### **Chairman**

The Founder Chairman of the Access Group of Companies founded in 1989, he is also the Founder Chairman and a shareholder of AEL. He continues to be the Chairman of all companies under the umbrella of the Access Group, AEL Group and Sathosa Motors PLC. He is a Fellow Member of the Chartered Institute of Management Accountants – UK. It is under his vision and leadership that the Access Group of Companies has grown to be a diversified and successful business enterprise, in a span of over three decades.

### **JOSEPH CHRISTOPHER JOSHUA**

#### **Executive Vice Chairman**

Joseph Christopher Joshua is one of the founding Directors of the Access Group of Companies and has played a pivotal role in shaping some of its most successful business ventures. As a founding shareholder of Access Engineering PLC, he served as Joint Managing Director, CEO, and later as Managing Director from the Company's inception until 24th August 2021. On 24th August 2021, he assumed his current role as Executive Vice Chairman of the Company. Under his visionary leadership, AEL reached several key milestones and experienced significant growth. He was appointed as the Managing Director of Sathosa Motors PLC with effect from 1st April 2019. Subsequently, he was appointed as the Executive Vice Chairman of Sathosa Motors PLC effective 1st October 2024, concurrently stepping down from his role as Managing Director of the Company from the same date.

### **DALPADORUGE ANTON ROHANA FERNANDO**

#### **Managing Director**

Rohana Fernando joined Access Engineering PLC in 1998 as an Engineer within the Engineering Division, where he played a pivotal role in transforming the division into a standalone business entity—laying the foundation for what AEL is today. Over the years, he has held several

senior management positions and was appointed to the Board of Directors in 2002. In 2007, he was elevated to the role of Director/Chief Operating Officer. A Civil Engineering graduate from the University of Peradeniya, he is also a Corporate Member of the Institution of Engineers Sri Lanka (IESL). He assumed duties as Managing Director of the Company on 24th August 2021.

### **SHEVANTHA HARINDRA SUDHARAKA MENDIS**

#### **Executive Director/Director – Business Development**

Having held many Executive and Management positions within the AEL Group, he has functioned within the Engineering Division since its inception. With the genesis of AEL, he became a part of that unit and was appointed as Director – Business Development in 2002.

### **SAUMAYA DHARSHANA MUNASINGHE**

#### **Executive Director/Director – Business Development**

He joined Access International (Private) Limited in 1996 and held Executive and Senior Managerial positions throughout his successful career. He joined AEL in 2006 and was appointed to the Board of AEL as Director – Business Development.

### **DILHAN PERERA**

#### **Non-Executive Director**

Dilhan Perera is serving in the capacity of Non-Executive Director of AEL since December 2013. He is serving as the Chief Financial Officer in affiliated companies which are not coming under the Group of Companies of Access Engineering PLC.

### **SHAMAL PERERA**

#### **Non-Executive Director**

Shamal Perera joined Access International (Private) Limited in 2009 as Director – Healthcare and played a pivotal role in the rapid growth of the business leading to Access Healthcare becoming a well

reputed and respected supplier in the industry. Following this success, he was appointed to the Director Board of Access International (Private) Limited in 2014. In 2015, Access International (Private) Limited expanded its healthcare services by acquiring the Ninewells Hospital, and Shamal was appointed to its Board, tasked with the responsibility of restructuring the Company. Today, Ninewells is the leading private women's and children's hospital in the country. In 2023 he was appointed as Managing Director of Access International (Pvt) Ltd. Shamal also serves as a Director in many of the Access Group Companies. He holds an MBA from the University of Buckingham and a CIMA Advanced Diploma in Management Accounting. Shamal is also a major shareholder of Access Engineering PLC.

### **RANIL PRASAD PATHIRANA**

#### **Independent Non-Executive Director**

Mr. Ranil Prasad Pathirana was appointed to the Board of Access Engineering PLC as an Independent Non-Executive Director with effect from 31st December 2024. He brings extensive experience in finance and management, with a strong track record across the financial services, apparel, and energy sectors. He currently serves as a Group Director of the Hirdaramani Group of Companies and its holding companies, namely Hirdaramani Apparel Holdings (Private) Limited, Hirdaramani Investment Holdings (Private) Limited, and Hirdaramani Leisure Holdings (Private) Limited. In addition, he is the Managing Director of Hirdaramani International Exports (Private) Limited and heads the Apparel Sector Executive Committee. Mr. Pathirana also serves as a Non-Executive Director of several listed companies, including WindForce PLC, Hemas Holdings PLC, BPPL Holdings PLC, Dankotuwa Porcelain PLC and Ceylon Hotels Corporation PLC. He is a Fellow Member of the Chartered Institute of Management Accountants (UK) (FCMA - UK) and holds a Bachelor of Commerce degree from the University of Sri Jayewardenepura.

## **MANO RAJAKARIAR**

### **Independent Non-Executive Director**

Mr. Mano Rajakariar was appointed to the Board as Independent Non-Executive Director on 1st November 2024. His career spans over three decades in Finance and Management Accounting. He has served leading entities such as South Asia Gateway Terminals, John Keells Holdings PLC and Coopers and Lybrand (PWC) in Sri Lanka and Malawi, playing key roles at Executive and Senior Management Levels. Mr. Rajakariar possesses a wealth of experience in Financial and Management Accounting, Auditing, Risk, and Compliance practices.

In addition to his corporate career, he also serves on the Ethics Committee of CA Sri Lanka and on the Finance Committee of Sri Lanka Cancer Society. He also serves on the respective Boards of Alumex PLC, Hayleys Fiber PLC, Digital Mobility Solutions Lanka Limited (Pick-Me), AssetLine Finance Limited and Elpitiya Plantations PLC.

A Fellow of the Institute of Chartered Accountants (CA) Sri Lanka, Mr. Rajakariar is also a Fellow Member of the Chartered Institute of Management Accountants (CIMA) UK and a Fellow Member of the Institute of Certified Management Accountants of Sri Lanka.

## **CONDAGAMAGE VAJIRA KULATILAKE**

### **Independent Non-Executive Director**

Mr. Vajira Kulatilaka was appointed to the Board of Access Engineering PLC as an Independent Non-Executive Director with effect from 1st October 2024. He is a veteran in the financial services sector with over four decades of experience. He served as the CEO of NDB Investment Bank (NDBIB), where he played a pivotal role in positioning the firm as a market leader in investment banking, recognized by Euromoney as the “Best Investment Bank in Sri Lanka” for nine consecutive years. He also held key roles in the broader capital market, leading the formation of Sri Lanka’s largest private sector asset management and stock broking firms. Mr. Kulatilaka served

as Chairman of the Colombo Stock Exchange (2014–2017) and the South Asian Federation of Exchanges (2015–2017). He is currently a director of Sampath Bank PLC, Printcare PLC, Hemas Hospitals (Pvt) Ltd, and LTL Holdings Ltd. He holds a BSc in Civil Engineering (First Class Honours) from the University of Moratuwa, an MSc in Industrial Engineering and Management from AIT Thailand, and is a Chartered Financial Analyst (CFA) and Fellow of the Chartered Institute of Management Accountants (UK).

Note: For a comprehensive list of directorships held by the members of the Board, please refer to page 208 of this Annual Report.

## CORPORATE MANAGEMENT TEAM



**Seated (Left to right)** - Dalpadoruge Anton Rohana Fernando, Sumal Joseph Sanjiva Perera

**Standing (Left to right)** - Prasanna Gunarathne, Dhanushka Munasinghe, Nilantha Iddagodage, Kosala Wickramasinghe, Lagath Gamalathge, Srimal Fernando, Vasantha Manatunge



**Seated (Left to right)** - Joseph Christopher Joshua, Saumaya Dharshana Munasinghe

**Standing (Left to right)** - Shevantha Harindra Sudharaka Mendis, M G Dhammika Deshapriya Silva, Thasantha Kumara, Prabashana Kumara, Senarath Bandara, Sameera Siyabalape, Pivithiri Jayasinghe

## CORPORATE MANAGEMENT TEAM

### **VASANTHA MANATUNGE**

#### **Senior General Manager**

V K Manatunge joined the Company in early 2003 and is currently functioning as the Senior General Manager of Access Engineering. He obtained his Degree in Civil Engineering from the University of Moratuwa in 1978 and has been a Corporate Member of the Institution of Engineers, Sri Lanka since 1982. He counts over 46 years of experience in the civil engineering field and has worked in various capacities in the state sector as well as the private sector.

### **SRIMAL FERNANDO**

#### **Senior General Manager**

##### **- Project Management Division II**

Srimal joined the Company in August 1999 as a Civil Engineer and was promoted to Manager - Engineering in January 2004, General Manager in January 2008 and Senior General Manager in 2017. He is currently heading the Central Procurement Division of the Company. He holds a Bachelor's Degree in Civil Engineering from the University of Peradeniya and is a Corporate Member of the Institution of Engineers, Sri Lanka. 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 Wastewater, Piling and Buildings in a senior level management capacity. He was also appointed as a Director to the Board of WUS Logistics (Private) Limited, Access Logistics (Private) Limited, Access Logistics Park Ekala (Private) Limited and Access Eco Power (Private) Limited. He also holds the position of Managing Director at Sathosa Motors PLC.

### **LAGATH GAMALATHGE**

#### **Senior General Manager**

##### **- Head of Production Plants**

Lagath joined Access Engineering in 2007 as an Accountant for Projects and since then he has risen from Manager to Senior Manager roles and is now operating in his present placement as Senior General Manager - Head of Production Plants. Lagath graduated from the University of Sri

Jayewardanapura with a Bachelor of Commerce, specializing in marketing; following which he also completed an MBA at Cardiff Metropolitan University. He has over 25 years of experience in diversified fields such as manufacturing, operations and trading in Sri Lanka and overseas. Lagath is also a member of the Chartered Professional Managers of Sri Lanka. He was also appointed as a Director to the Board of Lanka AAC (Private) Limited.

### **KOSALA WICKRAMASINGHE**

#### **General Manager**

##### **- Planning and Development**

Kosala joined the Company in 2007 as a Project Manager and currently serves as the General Manager - Planning and Development. He holds a BSc (Hons) in Civil Engineering and a Postgraduate Diploma in Structural Engineering, both from the University of Moratuwa, as well as an MBA from Cardiff Metropolitan University. He is a Corporate Member of the Institution of Engineers Sri Lanka and the Society of Structural Engineers Sri Lanka. With over 25 years of experience across structural design, contract administration, project management, and real estate development both locally and internationally. He has played a key role in delivering a wide range of infrastructure and development projects including bridges and flyovers, ports and airports, buildings, and real estate developments, whilst holding various senior management responsibilities. He also serves as the Executive Director of Harbour Village (Private) Limited., the Developer of Marina Square Mixed Development Project.

### **PRABASHANA KUMARA**

#### **General Manager**

##### **- Project Management Division II**

Prabashana joined the Company in December 2006 as an Operations Manager - Telecom Projects. Since then he has risen from Senior Manager - Telecom Projects to Deputy General Manager and he is currently functioning as a General Manager (Project Management Division II). He holds a BSc in Electrical and

Electronics Engineering from the University of Peradeniya. He has 27 years of experience in the fields of Telecommunication, Building Services (M&E) and renewable energy sector and was involved in several major projects in Sri Lanka and overseas in Key Management roles.

### **THASANTHA KUMARA**

#### **General Manager**

##### **- Project Management Division IV**

Thasantha joined the Company at the beginning of 2013. He has over 29 years of experience in the field of Civil Engineering including Roads, Highways and Bridge Engineering and Project Management. He has served in the capacity of Resident Engineer, Design Engineer, and Executive Engineer for the Road Development Authority for seven years and in the private sector for 17 years in the capacity of Project Manager, Senior Project Manager and Divisional Coordinator in the Roads, Highways and Bridges Division. He has a BSc (Hons) in Civil Engineering from the University of Moratuwa and a Postgraduate Diploma in Highway and Traffic Engineering from the University of Moratuwa. He is also a Corporate Member of the Institution of Engineers, Sri Lanka.

### **NILANTHA IDDAGODAGE**

#### **General Manager - Finance**

Nilantha joined the Company in 2008 and presently serves in the capacity of General Manager - Finance. He is a Fellow Member (FCA) of The Institute of Chartered Accountants of Sri Lanka and an Associate Member of the Association of Accounting Technicians of Sri Lanka. He holds an MBA from the Postgraduate Institute of Management (PIM) of the University of Sri Jayewardanapura and holds a BSc in Estate Management and Valuation (Special) Degree from the University of Sri Jayewardanapura. He has over 19 years of experience in the field of Finance, Auditing and Taxation. He was also appointed to the Board of Access Projects (Private) Limited in May 2018.

## **DHAMMIKA SILVA**

### **General Manager – Head of Engineering Designs**

Dhammika joined Access Engineering in 2007 as a Senior Design Engineer. Since then he has risen from Manager Engineering Design to Senior Manager Engineering Designs and is currently operating as the General Manager – Engineering Designs. He holds both a BSc (Hons) in Engineering and an M.Eng in Structural Engineering from the University of Moratuwa. Dhammika is a Fellow Member of the Institution of Engineers, of Sri Lanka and a Member of the Society of Structural Engineers of Sri Lanka. He is a recognized structural Engineer eligible to design and approve high rise buildings in Sri Lanka under the IESL and UDA regulations. He is an International Professional Engineer recognized in 20 leading countries under the Washington Accord. He has over 23 years of experience in various disciplines of Civil Engineering mainly in structural engineering designs together with the constructions.

## **DHANUSHKA MUNASINGHE**

### **General Manager – Project Management Division III**

Dhanushka Munasinghe has been an integral part of Access Engineering PLC since 2005. He began his career with the company as a Civil Engineer. He steadily progressed through the roles of Senior Engineer and Senior Manager, currently serving as General Manager – Project Management Division III. He holds a Bachelor of Science in Engineering from the University of Peradeniya and an MBA in Project Management from the University of Moratuwa. Dhanushka is a Chartered Engineer and a corporate member of the Institution of Engineers, Sri Lanka. He is also affiliated with Engineers Australia and holds a Diploma in Commercial Arbitration

## **PRASANNA GUNARATHNE**

### **Deputy General Manager – Contract Management (Project Management Division III)**

Prasanna joined the Company in 2006 as a Quantity Surveyor. Having held many positions from middle

management to Senior Management, he was appointed as Deputy General Manager in 2021. He has over 20 years of experience locally and internationally in the fields of quantity surveying and contract administration. He graduated from the University of Moratuwa with BSc (Hons) in Quantity Surveying degree and from University of London with LLB (Hons) . He also completed a MSc in Construction Law and Dispute Resolution attached to University of Moratuwa. He is also a diploma holder in Commercial Arbitration. He is a Chartered Quantity Surveyor having Associate membership from Institute of Quantity Surveyors Sri Lanka (AIQS. SL). He is also an Associate Member of The Chartered Institute of Arbitrators (ACI Arb) UK and International Cost Engineering Council Associate (ICECA)

## **PIVITHIRI JAYASINGHE**

### **Deputy General Manager – Project Management Division II**

Pivithiri Jayasinghe Manachchi joined Access Engineering PLC in 2008 as a Trainee Site Engineer in the Piling Division. He has since progressed through several key positions, including Manager and Senior Manager, before being appointed as Deputy General Manager – Project Management Division II in 2019. With extensive experience in geotechnical and piling engineering, Pivithiri possesses specialized expertise in diaphragm wall construction and complex ground engineering solutions. He holds a Bachelor of Science (Hons) degree in Civil Engineering from the University of Moratuwa, Sri Lanka, and is a Chartered Engineer.

## **SENARATH BANDARA**

### **Deputy General Manager – Business Development**

Senarath has served in the capacity of Civil Engineer for a foreign construction Company for seven years. He joined Access Engineering in 2004 as a Planning Engineer. Then he rose to Senior Engineer Planning, Senior Manager Engineering and is currently functioning as the Deputy General Manager – Business Development. He graduated from the University

of Peradeniya with a BSc in Civil Engineering, after which he followed through with an MBA from the University of Moratuwa and Diploma in Commercial Arbitration. Senarath is also a corporate member of the Institution of Engineers of Sri Lanka. He has over 29 years of experience in the fields of Civil Engineering Construction, Planning, Contract Administration, Dispute Resolution, Project Management and Business Development.

## **SAMEERA SIYABALAPE**

### **Deputy General Manager – Commercial**

Sameera Joined Access Engineering in 2016 as a Treasury Manager attached to the Commercial Division. He has over 13 years' experience in financial analysis, fund management and commercial operations. He then rose to becoming Senior Manager, Head of Treasury and was promoted to Deputy General Manager – Commercial in 2023. He graduated from the University of Moratuwa with a BSc in Information Technology in 2011. He is a Chartered Financial Analyst with membership at Chartered Financial Analyst Institute – (CFA) - USA and is a Passed Finalist of Chartered Institute of Management Accountants (CIMA) – UK.

# CORPORATE GOVERNANCE

## ACCESS ENGINEERING PLC'S APPROACH TO GOOD GOVERNANCE

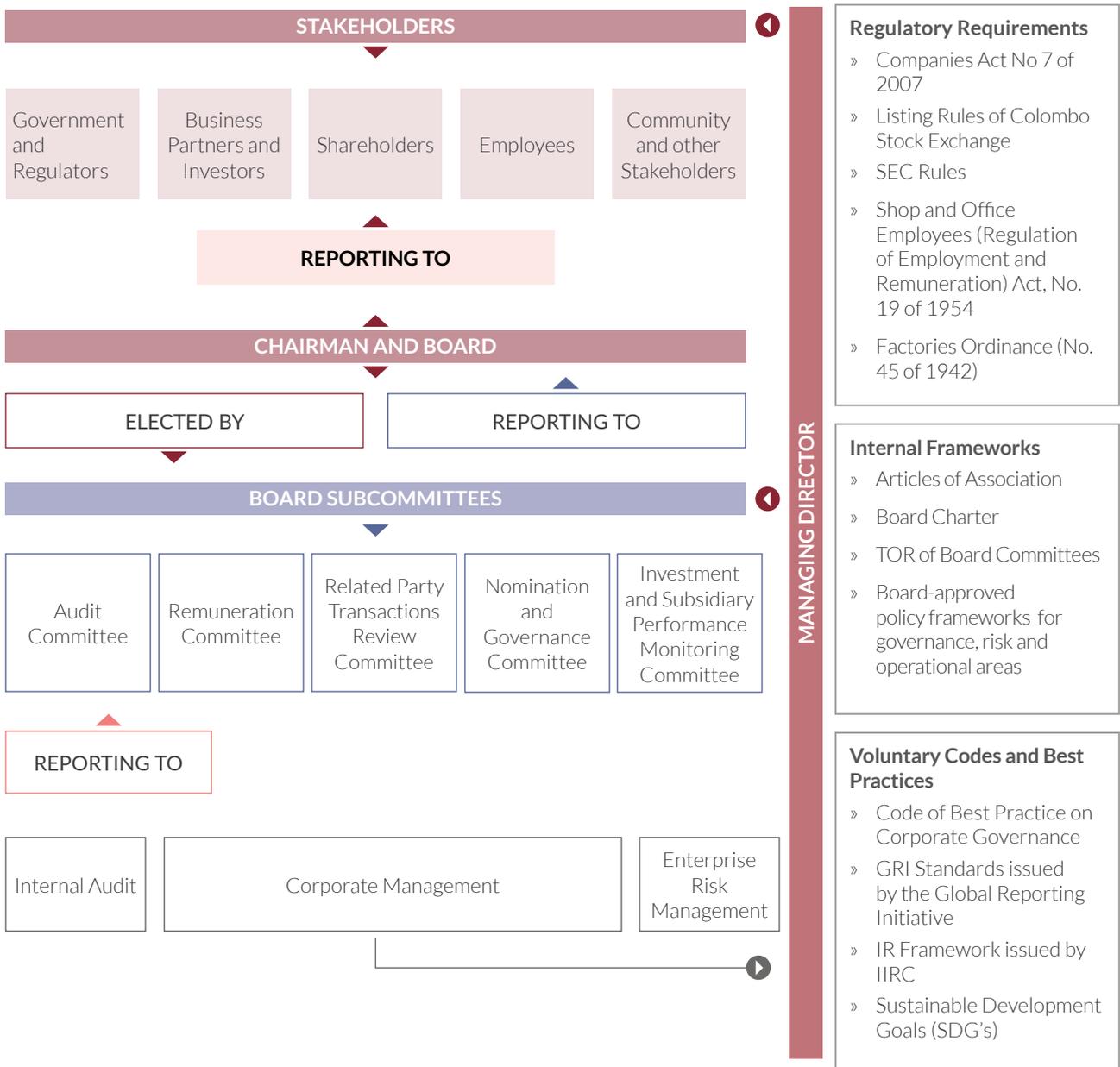
At Access Engineering, we work with the understanding that high standard of corporate governance is fundamental to the sustainability of our business. The belief that good governance is a key enabler of Access Engineering PLC's competitive advantage, underpins our efforts to ensure our decisions and actions are framed by principles of accountability, transparency, ethical management and fairness. In our quest to lead by example in promulgating the principles of good governance,

we continually review and update our governance framework and structures to reflect evolving global best practices. In this way we seek to ensure that our business is well governed and supported by effective decision-making in order to fulfill Access Engineering PLC's purpose and meet stakeholder aspirations.

## CORPORATE GOVERNANCE FRAMEWORK

AEL follows a structured and well-established governance framework designed to support clear decision-making and uphold high standards

of accountability, transparency, fairness, and integrity. The governance structure clearly delineates roles and responsibilities across the organisation, helping to ensure that all functions operate with clarity and purpose. The Board of Directors, as the Company's highest governing authority, oversees this framework and is responsible for continuously reviewing and updating the governance structure to ensure it remains effective, relevant, and aligned with the evolving needs of the business as well as regulatory expectations and good governance practices.



**THE BOARD**

The Board of Directors of AEL serves as the highest decision-making authority, responsible for guiding the Company's strategic direction and ensuring that strong governance principles are embedded throughout the organisation.

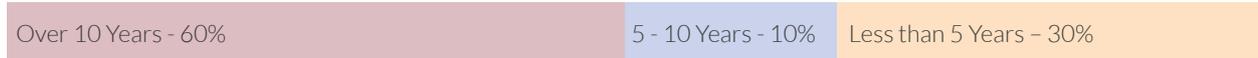
The Board plays a central role in safeguarding the interests of shareholders while promoting responsible, ethical, and transparent business practices.

**Board Diversity**

**Structure**



**Tenure**



**Age**



**Board Skills and Competency Matrix**

Trait	No. of Directors with Trait
Business Operation	7 out of 10
Cyber security	7 out of 10
Enterprise Risk Management	5 out of 10
Finance Expertise	8 out of 10
Government Regulatory	10 out of 10
Human Resources Management and Compensation	7 out of 10
Industry/Business Process Outsourcing	7 out of 10
International	8 out of 10
Other public company board experience	7 out of 10
Strategic Planning	10 out of 10
Technology	8 out of 10

- » Approving all major capital investments / expansions
- » Approving the appointment/ removal of Board Directors, Board sub Committee Members, Key Management Personnel (KMP) and Company Secretary
- » Reviewing and updating Remuneration of Directors and KMP's
- » Approval of all principal regulatory filings on time
- » Evaluating the performance of the KMP's against achievement strategic objectives
- » Approving the Succession Plan for Executive Directors and KMP's
- » Reviewing and updating as needed the Board Charter, Board Sub Committee TOR's, governance structures, policies and procedures

**Role of the Board**

The Board as the apex governance body operates as per specific Terms of Reference set out under the Board Charter. As per the Board Charter, the Board is collectively accountable to stakeholders for the proper management of the business in keeping with good governance principles. To that end, the Board provides strategic direction and sets the Company's strategic intent by establishing strategic objectives over the short, medium and long term time frame, and also ensuring appropriate resources, including necessary capital investments and human resources are available

to support the achievement of these strategic objectives.

In its role as the main custodian of Company activities, the AEL Board retains the exclusive right to review and approve certain matters.

**Matters Reserved Expressly For Board Consideration**

- » Setting the Company Vision, Missions and Values
- » Overseeing the development of Company strategy in line with the Company vision and reviewing and approving strategic plans

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2023, a formal Policy on Matters Relating to the Board of Directors was approved by the Board and implemented with effect from 01st October 2024. The policy defines the roles and responsibilities of the Board of Directors, enhances governance practices, ensures compliance with regulations, promotes a code of conduct, and safeguards the interests of the Company and its stakeholders.

# CORPORATE GOVERNANCE

## Board Composition

AEL's Board is composed of a well-qualified and balanced mix of professionals, including 05 Executive Directors, 05 Non-Executive Directors, of which 03 are Independent Non-Executive Directors. The healthy mix of Executive and Non-Executive Directors ensures leadership continuity, independent oversight, and a wide range of skills and experience.

Profiles of Board members are provided in a separate section of this Annual Report (pages 168-171).

## Non-Executive Directors (NED's)

The presence of NED's strengthens the Board's ability to make balanced decisions that align with the long-term interests of both shareholders and the Company. NED's bring with

them diverse industry expertise and independent viewpoints, enabling them to provide constructive oversight and effectively challenge management decisions. Their independent role also ensures that strategic and operational matters are examined from multiple perspectives, enhancing the quality of Board deliberations and contributing to sound risk management, ethical governance, and the overall accountability of the leadership team.

## Appointment / Re-election / Resignation of Directors

Board appointments are made through a formal, transparent process which includes evaluating potential candidates based on how their skills, experience, and expertise will enhance the overall effectiveness and diversity of the Board. As part of this assessment,

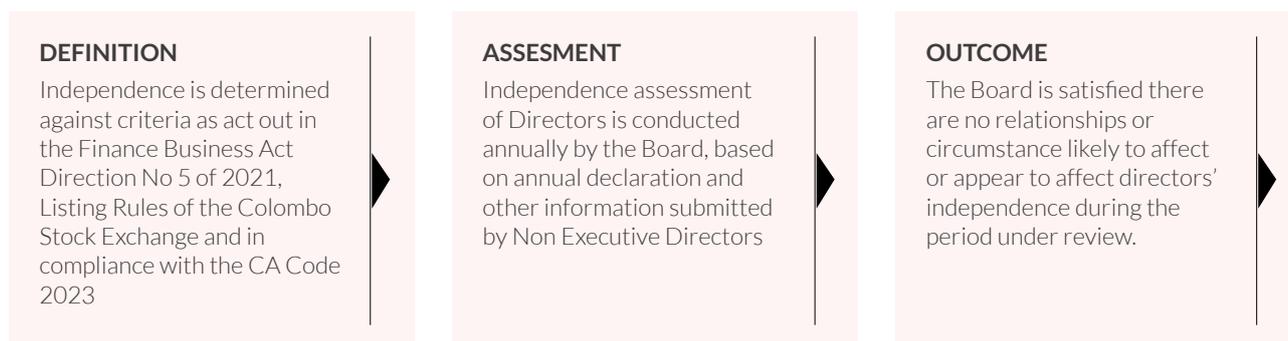
the number and nature of external directorships held by each candidate is also assessed to ensure they can dedicate adequate time and attention to their responsibilities at AEL.

In accordance with the Articles of Association, one-third of the Non-Executive Directors are required to retire by rotation at each Annual General Meeting (AGM).

Additionally, any Director appointed by the Board to fill a casual vacancy during the year is required to stand for election by shareholders at the next AGM. This approach ensures ongoing accountability and supports the maintenance of a well-functioning and credible Board.

## Procedures for assuring Directors Independence

Assurance regarding the Independence of Non-Executive Directors is obtained based on the following guidelines:



In line with the provision of CSE Rule 9.8.3 (ix), 3 new Independent Non-Executive Directors were appointed to the Board with effect from 01st October 2024

Board changes for FY 2024/25		
New Appointments	Resignations	Re-elections
Mr. Condagamage Vajira Kulatilaka was appointed to the Board as an Independent Non-Executive Director on 01st October 2024  He was later appointed as the Senior Independent Director with effect from 01st January 2025 in terms of Rule 9.6.3 of the Listing rules of the CSE	Mr D S Weerakkody - Senior Independent Non-Executive Director resigned on 31st December 2024	In line with the rule requiring 1/3 of the Directors to retire by rotation, Mr Shamal Joseph Shavindra Perera retire by rotation and remains eligible for reelection at the 14th AGM
Mr. Manoha Jude Sergius Rajakariar was appointed to the Board as an Independent Non-Executive Director on 01st November 2024. The appointment was made in terms of Article 95 of the Articles of Association	Prof. K A M K Ranasinghe - Independent Non-Executive Director resigned on 31st December 2024	
Mr. Ranil Prasad Pathirana was appointed to the Board as an Independent Non-Executive Director on 31st December 2024. The appointment was made in terms of Article 95 of the Articles of Association	Mr. N D Gunaratne - Independent Non-Executive Director resigned on 31st December 2024	

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2023, a formal Policy on Corporate Governance, Nominations and Re-election was approved by the Board and implemented with effect from 01st October 2024. The primary objective of this policy is to ensure transparency, fairness, and adherence to best practices in governance and compliance with listing rules of Colombo Stock Exchange and Other regulatory requirements.

### Responsibilities of Individual Directors

All Directors are expected to commit the time and effort necessary to effectively fulfill their responsibilities. This includes attending Board and

Committee meetings regularly and contributing meaningfully through their expertise, experience, and independent judgment in all deliberations.

In addition, every Board member is required to take part in the annual Board evaluation process, which serves as a tool to assess individual and collective performance, strengthen governance practices, and identify areas for continuous improvement.

GRI2-15

### Managing Conflicts of Interest

All Directors at AEL are expected to act in good faith and uphold their fiduciary responsibilities by avoiding situations that could give rise to actual or perceived conflicts of interest.

They are required to exercise sound judgment, diligence, and transparency in identifying and promptly disclosing any potential conflicts to the Board. Further, in the event, an item in which a Director has an interest is being discussed at a Board meeting, the Director concerned is expected to recuse himself from participating in any discussions on the matter.

The Related Party Transactions Review Committee is responsible for reviewing all disclosures of conflict made by Directors and recommending appropriate actions to the Board to address or mitigate such conflicts in a manner that preserves the integrity of governance and decision-making processes.

Names of the Directors	Directorship Status in AEL	No of Board seats held in Listed Companies (Excluding AEL)		No of Board seats held in unlisted Companies
		Executive Capacity	Non - Executive Capacity	
Mr. Sumal Joseph Sanjiva Perera	Executive	-	01	43
Mr. Joseph Christopher Joshua	Executive	01	-	24
Mr. Dalpadoruge Anton Rohana Fernando	Executive	-	01	18
Mr. Shevantha Harindra Sudharaka Mendis	Executive	-	-	11
Mr. Saumaya Dharshana Munasinghe	Executive	-	01	12
Mr. Suresh Dilhan Perera	Non-Executive	-	-	22
Mr. Shamal Perera	Non-Executive	-	-	26
Mr. Condagamage Vajira Kulatilaka	Senior Independent Non-Executive	-	02	03
Mr. Manoha Jude Sergius Rajakariar	Independent Non-Executive	-	04	01
Mr. Ranil Prasad Pathirana	Independent Non-Executive	-	05	-

### Directors Remuneration

AEL has established a well-structured and transparent remuneration framework designed to provide fair, competitive, and performance-based compensation for Directors.

Executive Directors' remuneration includes both fixed and variable elements. The fixed salary is set in line with industry standards and reflects

the individual's expertise, experience, and responsibilities. The variable component consists of performance-linked incentives directly tied to the achievement of AEL's strategic objectives and long-term business success. A similar performance-based approach is applied to Key Management Personnel (KMPs). The total compensation ratio of the highest-paid executive is kept confidential.

Non-Executive Directors receive fixed fees for their services on the Board and its Committees. These fees are determined by reference to prevailing market practices and benchmarks of comparable organisations and are reviewed annually by the Board to ensure they remain competitive and appropriate given the scope of their duties.

# CORPORATE GOVERNANCE

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2023, a formal Policy on Remunerations was approved by the Board and implemented with effect from 01st October 2024. The primary objective of this policy is to ensure the Company's remuneration structures are fair, equitable, and adheres to regulatory requirements and best practices in order to attract and retain qualified individuals who can drive AEL's success. Likewise the policy is designed to ensure the interests of

Directors are aligned with long-term goals of AEL and its shareholders.

## Directors Training and Induction

AEL recognises that continuous development is essential for Directors to effectively fulfill their roles and responsibilities. Accordingly, all Directors benefit from ongoing training programmes designed to enhance the Board's collective knowledge and skills. These sessions cover a range of relevant topics including corporate governance, regulatory updates, risk

management, industry trends, and emerging business challenges.

Meanwhile new Directors receive a comprehensive induction programme that facilitates a smooth integration into the Board. This induction includes an overview of AEL's business operations, governance framework, strategic priorities, and key policies. New appointees are also introduced to senior management and provided with access to essential documents and resources.

## Division of Responsibility at a Leadership Level

AEL maintains a clear separation of responsibilities at the highest levels of leadership to enhance accountability, prevent conflicts of interest, and uphold strong standards of governance.

GRI 2-11, 2-12, 2-13, 2-14

### DIVISION OF RESPONSIBILITY AT A LEADERSHIP LEVEL

#### Duties and Responsibilities of the Chairman

The Chairman of AEL, who serves in an Executive capacity, leads the Board by providing guidance in the adoption of sound governance practices and ensuring the Board functions effectively in safeguarding the interests of the Company and its shareholders. In fulfilling this role, the Chairman is responsible for:

- » Ensuring Board meetings are properly planned and conducted efficiently
- » Setting the agenda for each meeting to ensure that all relevant and material matters are addressed in a timely manner, while considering items proposed by other Directors, Board sub-committees, or the Company Secretary
- » Ensuring that Board members receive accurate, timely, and clear information to support effective decision-making
- » Overseeing that minutes of Board meetings are recorded accurately and circulated promptly among Directors
- » Fostering an environment that enables the Board as a whole, and Directors individually, to perform their roles effectively
- » Promoting a culture of openness, encouraging constructive debate and challenge, particularly among Non-Executive Directors, to strengthen the quality of Board deliberations
- » Leading the process of Board self-assessment to generate meaningful feedback aimed at enhancing the Board's overall effectiveness

#### Role of the Senior Independent Director (SID)

Given that Chairman functions in an Executive Capacity, AEL has appointed a Senior Independent Director in terms of Rule 9.6.3 of the Listing rules of the CSE. The role of the SID is to;

- » Uphold high standards of ethics, integrity and probity.
- » Support executive leadership whilst monitoring their conduct
- » Promote high standards of corporate governance and compliance
- » Meet with Non-Executive Directors at least once a year and Executive Directors at least once a year to facilitate discussion and communication of critical concerns and communicate same to Chairman
- » Be available to shareholders in case they have concerns which cannot, or should not, be addressed by the Chairman or Executive Directors
- » Act on the results of any performance evaluation of the Chairman
- » Maintain sufficient contact with major, significant and minority shareholders assisting the Board to develop a balanced understanding of their issues

### **Role of the Executive Vice Chairman**

AEL's Executive Vice Chairman operates with the delegated authority of the Board and oversees the day-to-day management of the Company in accordance with the Board approved policies and procedures. The Executive Vice Chairman reports directly to the Board and is responsible for;

- » Executing the strategic direction set by the Board, ensuring business plans and long-term growth strategies are effectively developed and implemented in alignment with AEL's vision, mission, and core values.
- » Overseeing daily operations across all functions to ensure efficiency, cost-effectiveness, and adherence to quality standards, while leading the senior management team to achieve organisational goals.
- » Delivering financial targets, safeguard the Company's financial health, and oversee budgeting, resource allocation, and financial performance, including timely and accurate regulatory reporting.
- » Identifying and managing key business risks, ensuring compliance with legal and regulatory requirements, uphold ethical standards, and maintain robust internal control systems.
- » Acting as the primary spokesperson on behalf of the Company to foster strong, transparent relationships in line with the Board's stakeholder engagement objectives.
- » Building a high-performance culture rooted in accountability, continuous learning, and AEL's core values. Lead human capital development through talent management, leadership development, succession planning, and by promoting diversity, equity, and inclusion.
- » Driving the Company's ESG strategy by integrating sustainability goals into core operations, driving ESG initiatives, and ensuring compliance with relevant frameworks and regulations.
- » Reporting regularly to the Board on performance, risks, and strategic matters. Provide accurate and timely information to support informed Board decision-making and ensure effective implementation of Board resolutions.

### **Role of the Company Secretary**

The Company Secretary serves as a trusted advisor to the Board to ensure all Directors and the Board as a whole fulfill their fiduciary duties and maintaining the integrity of Board processes through accurate record-keeping and timely disclosures. The Company Secretary is responsible for:

- » Facilitating the smooth conduct of Board and Committee meetings, including proper documentation and minute-keeping of all proceedings.
- » Ensuring all Board Committees are appropriately constituted with clearly defined terms of reference.
- » Coordinating the Annual General Meeting (AGM) in compliance with regulatory requirements, including timely dissemination of notices, reports, and related documentation with Board approval.
- » Maintaining statutory records, including minutes of the AGM and required registers.
- » Overseeing the timely filing of statutory returns and documents with the Registrar of Companies.
- » Advising Directors on their duties, responsibilities, and compliance obligations under applicable regulations.
- » Maintaining effective communication and good relationships with shareholders.
- » Ensuring timely and accurate disclosure of related party information and related party transactions in line with governance standards

### **Board Sub Committees**

To assist in performing its oversight role, the Board has appointed several Sub Committees to provide oversight in specific key areas. Sub Committees operate in line with Board approved Terms of Reference (TOR's).

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2023, a formal Policy on the Board Committees was approved by the Board and implemented with effect from 01st October 2024. The primary objective of this policy is to ensure effective functioning of Board committees in compliance with regulatory requirements, and efficient decision-making.

# CORPORATE GOVERNANCE

## BOARD SUB COMMITTEE

### Board Audit Committee

#### Objectives

Oversight responsibilities for the integrity of financial statements, risk management, business ethics, internal control, internal audit function, compliance, review External Auditor's performance and financial reporting.

#### Members and Number of Meetings

Members		Meetings
NID	02	05
ID	03	

Refer pages 210 to 212 for the Audit Committee Report

### Board Remuneration Committee

#### Objectives

Setting up the remuneration policy and making recommendations to the Board on recruitment, remuneration and performance evaluation.

#### Members and Number of Meetings

Members		Meetings
NID	01	02
ID	03	

Refer pages 215 to 216 for the Remuneration Committee Report

### Board Related Party Transactions Review Committee

#### Objectives

Ensuring that all related party transactions of the Company are comply with the regulatory provisions set out in the Corporate Governance Directions, LKAS 24 and the Listing Rules of the CSE.

#### Members and Number of Meetings

Members		Meetings
NID	01	04
ID	03	

Refer pages 213 to 214 for the Related Party Review Committee Report

### Board Nomination and Governance Committee

#### Objectives

Overseeing the Board's composition and structure, and making recommendation on the appointment, re-election, and succession of Directors, while ensuring adherence to corporate governance best practices.

#### Members and Number of Meetings

Members	
NID	01
ID	02

Refer pages 208 to 209 for the Nomination and Governance Committee Report.

### Board Investment and Subsidiary Performance Monitoring Committee

#### Objectives

Assessing and monitoring existing and new investments of Access Engineering PLC and report observations and recommendations to the Board.

#### Members and Number of Meetings

Members		Meetings
NID	03	04
ID	03	

Refer pages 217 to 218 for the Investment and Subsidiary Performance Monitoring Committee Report.

## Board Accountability Compliance

The Board of Directors of AEL bears the ultimate responsibility for ensuring full compliance with all applicable regulatory and statutory requirements. In discharging this duty, the Board works closely with its sub-committees and the executive management team to establish and maintain strong compliance frameworks, underpinned by a strict zero-tolerance approach to non-compliance.

To embed a culture of integrity and accountability across the organisation, the Board has instituted secure and confidential reporting channels that enable employees to raise compliance-related concerns without fear of retaliation. These mechanisms support the early detection and timely resolution of potential issues, thereby reinforcing AEL's commitment to ethical conduct and responsible governance.

During the year under review, the Board and its Committees ensured full alignment with the revised Section 9 of the CSE Listing Rules on Corporate Governance, achieving compliance with all prescribed requirements.

### Compliance Highlights for FY 2024/25

In compliance with Section 9.2.1 of the Listing Rules of the Colombo Stock Exchange, AEL has implemented the following Board-approved policies, disclosed same on the corporate website with effect from 1st October 2024.

- » Policy on Anti-Bribery and Corruption.
- » Policy on Control and Management of Company Assets and Shareholder Investments
- » Policy on Corporate Disclosures
- » Policy on Corporate Governance, Nominations, and Re-election
- » Policy on Environmental, Social, and Governance Sustainability
- » Policy on Internal Code of Business Conduct and Ethics

- » Policy on Matters Relating to the Board
- » Policy on Relations with Shareholders and Investors
- » Policy on Remunerations
- » Policy on Risk Management and Internal Controls
- » Policy on the Board Committees
- » Policy on Whistle blowing

There were no incidents regarding non-compliance of laws and regulations reported during the financial year under review.

### Financial Control and Reporting

The Board of Directors of AEL is firmly committed to ensuring sound financial stewardship grounded in rigorous discipline, transparency, and accountability across the organisation.

In keeping with this approach, the Board exercises exclusive oversight over all significant financial decisions, including the approval of annual budgets, financial statements, dividend policies, capital expenditure programmes, investment proposals, funding structures, and other material financial commitments.

Likewise, the Board works closely with the Board Audit Committee (BAC), to safeguard the integrity and reliability of AEL's financial reporting processes. Periodic performance reviews are conducted to evaluate progress against financial goals, monitor risk exposures, and ensure compliance with applicable accounting standards, regulatory requirements, and globally recognised financial reporting frameworks.

The Board is also directly responsible for reviewing and endorsing all statutory and regulatory financial disclosures, including the annual financial statements, interim reports, and the Integrated Annual Report. These disclosures are prepared to present a true, fair, and comprehensive account of AEL's financial health, performance, and outlook.

In compliance with the provisions of the

CSE's new listing rules on Corporate Governance issued in 2023, a formal Policy on Corporate Disclosures was approved by the Board and implemented with effect from 01st October 2024. The primary objective of this policy is to ensure that Access Engineering PLC complies with the Colombo Stock Exchange (CSE) Listing Rules regarding corporate disclosures, promoting transparency and trust among shareholders.

### Risk Management and Internal Control

The AEL Board bears overarching responsibility for ensuring the effectiveness and strategic alignment of the Company risk management and internal control frameworks. In fulfilling this role, the Board defines the risk appetite and works closely with the Board Audit Committee (BAC) to oversee the development and execution of policies and procedures designed to proactively identify, evaluate, and mitigate risks that could impact AEL's operations, reputation, or financial stability.

Under delegated authority, the BAC plays a central role in monitoring key risk exposures, reviewing enterprise risk assessments, and ensuring that robust mitigation strategies are in place. The Committee also obtains independent assurance from both internal and external auditors on the adequacy and effectiveness of the Company's risk management and internal control systems.

Where gaps or deficiencies are identified, the BAC ensures that timely corrective actions are implemented, with oversight and approval from the Board where necessary, thereby reinforcing AEL's commitment to prudent risk governance and operational resilience.

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2023, two formal Policies were implemented on 01st October 2024, the first Policy on Risk Management and Internal Controls which establishes clear procedures

## CORPORATE GOVERNANCE

to safeguard the Company's assets, ensure accurate financial reporting and compliance with regulatory requirements, and support the achievement of strategic objectives of the Company.

The second policy was the Policy on Control and Management of Company Assets and Shareholder Investments setting out guidelines for the effective control, management, and safeguarding the utilisation of Company assets and shareholder investments at Access Engineering PLC. This policy aims to ensure that assets are used efficiently, investments are managed prudently, and all activities are conducted with integrity and transparency.

### **Conduct and Ethics**

The Board is responsible for setting the tone at the top and to ensure that ethical behaviour is deeply embedded in the Company culture, decision-making processes, and day-to-day operations, has established a comprehensive conduct framework, encompassing a range of policies and procedures including mechanisms for identifying, reporting, and addressing unethical behaviour.

The Board undertakes to review all conduct policies, at least annually to ensure appropriate amendments are made to reflect changes in business, rules, regulations and laws.

**Key conduct policies introduced by Access Engineering PLC in compliance with the provisions of section 9 of the CSE's listing rules on Corporate Governance**

**Policy on Internal Code of Business Conduct and Ethics** - To promote ethical behaviour, ensure compliance with legal and regulatory requirements, and safeguard AEL's reputation.

**Policy on Anti-Bribery and Corruption** - Establishes AEL's commitment to conducting business with integrity and in compliance with all applicable anti-bribery and anti corruption laws and regulations. This policy aims to prevent, detect, and address bribery and corruption

within our operations and interactions with clients, suppliers, and other stakeholders.

### **IT Governance**

The Board of Directors assumes the primary responsibility for setting the Company's IT strategy in alignment with its broader business objectives over the short, medium, and long term. The Board is further responsible for approving the IT budget and establishing policies that support AEL's business model and strategic direction.

Operating under the delegated authority for the Board, the Manager - IT is charged with the responsibility of implementing the IT strategy and for identifying and recommending IT initiatives to enhance digital infrastructure to drive Company-wide operational efficiency. The Manager - IT is also required to maintain oversight of external developments and global best practices in IT, including emerging cyber security threats to proactively identify emerging risks and ensure early action to strengthen the Company's information security posture.

### **HR Governance**

At AEL, the Board holds the primary responsibility for providing strategic oversight to ensure that human resource management practices not only comply with applicable laws and regulations but also foster a high-performance, inclusive, and values-driven workplace.

Day-to-day responsibility for HR operations lies with the AEL HR Department, which is tasked with implementing policies while ensuring compliance with national labour laws and alignment with international benchmarks such as the ILO Conventions and the UN Global Compact Principles, particularly in upholding employee rights, equity, and workplace dignity.

AEL's HR function is also responsible for workforce planning, performance management, talent development, and employee engagement. These

efforts are aimed at building a resilient and future-ready workforce that contributes meaningfully to AEL's sustained growth and value creation.

### **Sustainability Governance and Reporting**

At AEL, the Board of Directors remains firmly committed to ensuring that the Company operates in a sustainable and responsible manner, creating long-term value for all stakeholders. In fulfilling this commitment, the Board provides oversight for the development and execution of the Company's sustainability strategy, ensuring that identified material matters are effectively embedded into business plans and operationalised across the organisation.

The Board promotes a culture of accountability in sustainability performance, encouraging voluntary disclosures aligned with globally recognised frameworks such as the Global Reporting Initiative (GRI) Standards and the International Integrated Reporting Council's (IR) Framework. These reporting practices reflect the Company's dedication to transparency and responsible corporate citizenship.

In the current year, the Board formalised its commitment to sustainability integration in compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2023. Accordingly, a formal Policy on Environmental, Social, and Governance Sustainability was approved by the Board and implemented with effect from 01st October 2024, defining AEL's commitment to environmental stewardship, social responsibility, and strong governance practices. This policy serves as a guide in integrating ESG principles into AEL's operations, decision-making, and corporate strategy.

During the financial year 2024/25, the Board also initiated a review of the SLFRS S1 and S2 sustainability disclosure standards and has taken proactive steps to enhance the Company's readiness for their adoption in the upcoming reporting cycle.

### **Stakeholder Engagement**

The Board acknowledges its responsibility to engage regularly with the stakeholders in order to obtain their insights, views and feedback. The Board approved Stakeholder Engagement Framework creates the platform to support effective and timely engagement with all key stakeholders of the Company.

Please refer to the Stakeholder Engagement on Pages 30 to 36 for more details

### **Shareholder Relations and Communication**

The Board recognises the shareholders' right to receive timely, accurate, and comprehensive information about AEL and, where applicable, its subsidiaries. In fulfilling this commitment, the Board ensures that all shareholder communications, including quarterly financial results, the Annual Report, and other material disclosures, are published promptly and in full compliance with statutory and regulatory requirements.

All such information is also made available on the corporate website - <https://accessengsl.com/investors/>

In compliance with the provisions of the CSE's new listing rules on Corporate Governance issued in 2023, a formal Policy on Relations with Shareholders and Investors was approved by the Board and implemented with effect from 01st October 2024. The policy establishes guidelines for maintaining transparent, effective, and respectful relationships with shareholders and investors. This policy aims to ensure that all stakeholders receive timely, accurate, and relevant information about AEL's performance, governance, and strategic direction.

### **The Annual General Meeting (AGM)**

The Annual General Meeting serves as a key platform to facilitate one-on-one contact with the shareholders. Following the conclusion of each financial year, the Board decides on the AGM date, while the notice of the AGM, the Annual Report, financial statements and any other resolutions to be tabled at the AGM together with the voting procedures are circulated to shareholders not less than fifteen (15) working days prior to the AGM, in keeping with the CSE listing rules.

AEL's next AGM is scheduled to be held on 27th August 2025.

### **Board Meetings**

Regular Board meetings serve as a structured platform for Directors to evaluate performance, assess risks, and make well-informed decisions that align with AEL's long-term strategic goals. Beyond these scheduled meetings, the Board may convene additional sessions as needed to promptly address urgent issues, respond to emerging opportunities or challenges, and facilitate timely decision-making.

#### **ACCESS TO INFORMATION**

Directors are granted unrestricted access to all relevant information necessary to fulfill their duties effectively. This includes access any KMP and the company Secretary as well as financial records, Board papers, management reports, and other operational data, enabling informed decision-making and effective oversight. Directors may also seek independent professional advice at the Company's expense, where necessary, to support their responsibilities.

## CORPORATE GOVERNANCE

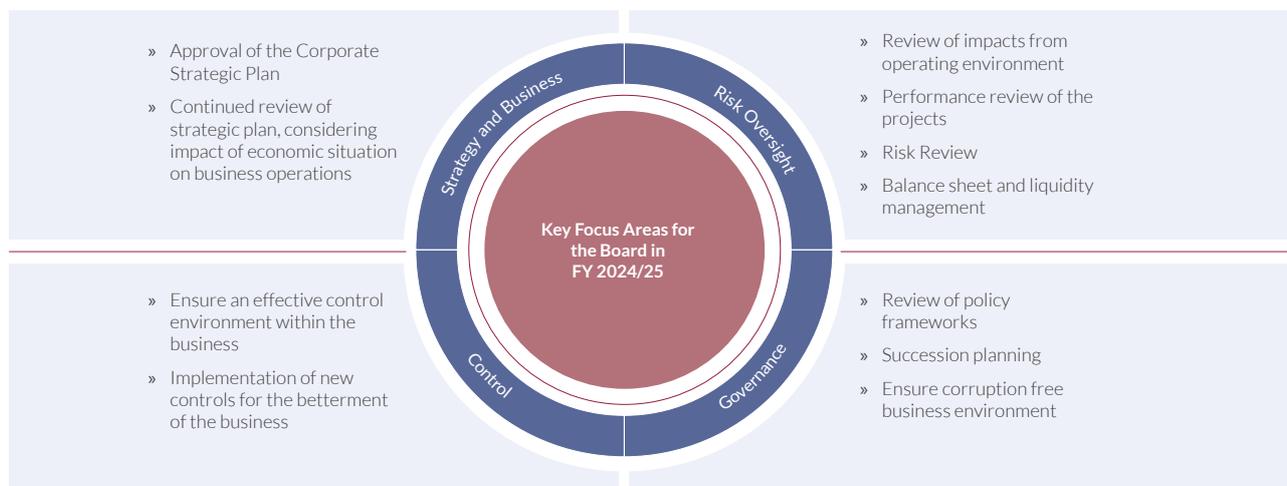
### PROCESS FOR SCHEDULING BOARD MEETINGS

The Board met 04 times during the year, with all Board meetings characterized by a high degree of attendance, active participation, constructive and open discussions.

BEFORE THE MEETING	AT THE MEETING	AFTER THE MEETING
<p>The Company Secretary, in consultation with the Chairman and the Vice Chairman, are responsible for setting the agenda for Board meetings. The agenda is carefully structured to ensure adequate time is allocated to address all key matters, including strategy, financial performance, industry developments, risk management, and regulatory compliance in order to facilitate meaningful discussions and informed decision-making.</p> <p>A Board-approved procedure allows any Director to formally request, in writing, the inclusion of additional matters or proposals in the agenda. Once the agenda is finalized, a comprehensive information pack containing the meeting agenda and relevant Board papers is circulated to all Directors at least seven working days before the scheduled meeting.</p>	<p>It is mandatory for all Directors to attend Board meetings with all Board members expected to come well prepared and actively participate in all matters outlined under the agenda. The Chairman of each Board committee will be called upon to provide an update on significant matters discussed at their respective Board sub-committee meetings, which are typically scheduled before the Board meeting</p> <p>Key Management Personnel are invited to provide a comprehensive update on the Company's business and operations to date as well as an overview of the context in which these outcomes were achieved, while selected members of the Corporate Management are also invited to make presentations on the items set out under the agenda.</p> <p>The Company Secretary maintains minutes of every Board meeting.</p>	<p>The Company Secretary are required to submit the minutes of the meeting to the Chairman for approval prior to being circulated among the Directors and other members of Corporate Management who were present at the particular meeting. Minutes of the meetings are typically circulated within two weeks after the meeting date.</p>

#	Name of Director	Director Status	Board Meeting	Audit Committee	RPTR	Remuneration Committee	Inv and Subsidiary
1	Mr. S J S Perera	ED	4/4	-	-	-	-
2	Mr. J C Joshua	ED	4/4	-	-	-	4/4
3	Mr. S H S Mendis	ED	4/4	-	-	-	-
4	Mr. D A R Fernando	ED	4/4	-	4/4	-	4/4
5	Mr. S D Munasinghe	ED	4/4	-	-	-	-
6	Prof. K A M K Ranasinghe*	INED	3/3	3/3	3/3	2/2	3/3
7	Mr. N D Gunaratne*	INED	3/3	3/3	3/3	2/2	3/3
8	Mr. S D Perera	NED	4/4	4/5	-	2/2	-
9	Mr. D S Weerakkody*	SINED	3/3	3/3	3/3	2/2	3/3
10	Mr. Shamal J S Perera	NED	4/4	4/5	-	-	3/4
11	Mr. C V Kulatilaka**	SINED	2/2	2/2	1/1	-	1/1
12	Mr. M J S Rajakariar***	INED	2/2	2/2	1/1	-	1/1
13	Mr. R P Pathirana****	INED	1/1	2/2	1/1	-	1/1

\* resigned w.e.f 31 December 2024 \*\*appointed w.e.f 1 October 2024 \*\*\*appointed w.e.f 1 November 2024  
\*\*\*\*appointed w.e.f 31 December 2024



### Evaluating Board Performance

The evaluation of the Board and its Sub-Committees is a systematic process designed to assess their effectiveness in fulfilling their roles and responsibilities. Typically conducted on an annual basis, this process involves a comprehensive review of the Board's overall performance, including its governance practices, decision-making quality, and contribution to the Company's strategic objectives.

The evaluation begins with the distribution of confidential

questionnaires or surveys to all Directors, focusing on key areas such as board composition, meeting effectiveness, communication, risk oversight, and stakeholder engagement. Feedback is collected on both collective and individual performance, including that of the Chairman and Committee members.

Results are analysed by the Nomination and Governance Committee with findings presented to the Board. Based on these findings, recommendations are developed to enhance Board and Committee effectiveness, as needed.

### External Frameworks

The system of corporate governance at Access Engineering PLC is primarily governed by external frameworks such as the Companies Act No. 07 of 2007, the Listing Rules of the Colombo Stock Exchange, and the Code of Best Practice on Corporate Governance, jointly issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Securities and Exchange Commission of Sri Lanka (SEC). The Company's compliance with the specific provisions of these frameworks is detailed on pages 187 to 206 of this Annual Report.

### Statement of Compliance under Section 7.6 of the Listing Rules of the Colombo Stock Exchange on Annual Report Disclosures

Principal	Description	Comment/Reference	Compliance Status
<b>CSE Listing Rule 7.6 - Contents of Annual Report</b>			
(i)	Names of persons who during the financial year were directors of the Entity	Board of Directors	Complied
(ii)	Principal activities of the Entity and its subsidiaries during the year and any changes therein	Notes to the Financial Statements	Complied
(iii)	The names and the number of shares held by the 20 largest holders of voting and non-voting shares and the percentage of such shares held	Investor Relations	Complied
(iv)	The float adjusted market capitalization, Public Holding percentage (%), number of public shareholders and under which option the Listed Entity complies with the minimum Public Holding requirement	Investor Relations	Complied
(v)	A statement of each Director's holding in shares of the Entity at the beginning and end of each financial year	Investor Relations	Complied

## CORPORATE GOVERNANCE

Principal	Description	Comment/Reference	Compliance Status
(vi)	Information pertaining to material foreseeable risk factors of the Entity	Managing Risks and Opportunities	Complied
(vii)	Details of material issues pertaining to employees and industrial relations of the Entity	During 2024/25 there were no material issues pertaining to employees and industrial relations of the Entity	
(viii)	Extents, locations, valuations and the number of buildings of the Entity's land holdings and investment properties	Annual Report of the Board of Directors	Complied
(ix)	Number of shares representing the Entity's stated capital	Annual Report of the Board of Directors on the affairs of the Company	Complied
(x)	A distribution schedule of the number of holders in each class of equity securities, and the percentage of their total holdings	Investor Relations	Complied
(xi)	Financial ratios and market price information	Investor Relations	Complied
(xii)	Significant changes in the Entity's or its subsidiaries' fixed assets and the market value of land, if the value differs substantially from the book value.	Notes to the Financial Statements	Complied
(xiii)	Details of funds raised through a public issue, rights issue and a private placement during the year	In 2024/25 no funds were raised through a public issue, rights issue or a private placement.	
(xiv)	Employee Share Option Schemes and Employee Share Purchase Schemes	The Company does not have any Employee Share Option Schemes or Employee Share Purchase Schemes	
(xv)	Disclosures pertaining to Corporate Governance practices in terms of Section 9 of the Rules	Board of Directors (Ref. Pages 168 to 171)  Corporate Governance Section  Annual Report of the Board of Directors (Ref. Pages 248 to 254)  Notes to the Financial Statements  Board Sub-Committee Reports	Complied
(xvi)	Related Party transactions exceeding 10% of the Equity or 5% of the total assets of the Entity as per Audited Financial Statements, whichever is lower. Details of investments in a Related Party and/or amounts due from a Related Party to be set out separately.	Related Party Transactions Review  Committee Report  Notes to the Financial Statements	Complied

## Statement of Compliance under Section 9 of the Listing Rules of the Colombo Stock Exchange on Corporate Governance

Principal	Description	Comment/Reference	Compliance Status
<b>9.2 - Policies</b>			
9.2.1	Policies	The company has established and continues to maintain the policies listed in section 9.2.1	Complied
9.2.3 (i) and (ii)	List of policies in place as per 9.2.1, with reference to website  Any changes to policies adopted	The policies were uploaded to the company website. <a href="https://accessengsl.com/wp-content/uploads/2024/10/Corporate-Governance-Policies-1.pdf">https://accessengsl.com/wp-content/uploads/2024/10/Corporate-Governance-Policies-1.pdf</a>  No changes were made during the financial year	Complied
<b>9.3 - Board Committees</b>			
9.3.1	Minimum required Board Committees	The required committees are maintained and are functioning effectively	Complied
9.3.2	Compliance with the composition, responsibilities and disclosures required in respect of the Board Committees	Corporate Governance Section Board Sub-Committee Reports	Complied
<b>9.4 - Meeting procedures and the conducted of all General Meetings with shareholders</b>			
9.4.1	Recording of all resolution and the following information upon a resolution being considered at any General Meeting shall be maintained	The company maintains all records and information regarding resolutions considered at General Meetings	Complied
9.4.2	Communication and relations with shareholders and investors	The AGM, Annual Report and other General Meetings (as and when required) are the primary means of communication with shareholders. Additionally, the Company makes disclosures on Material and price sensitive matters from time to time to the CSE for dissemination among the public. Similarly the Company's website <a href="http://www.accessengsl.com">www.accessengsl.com</a> is updated with financial and project related information, corporate disclosures and other press releases for public viewing	Complied
<b>9.6 - Chairperson and CEO</b>			
9.6.1	The chairperson of the company shall be a Non-executive Director, unless otherwise a SID is Appointed by the company	A SID has been appointed by the company and a announcement was made to disclose that the Chairperson of the company is an Executive Director	Complied
9.6.2	Market announcement on the rationale behind the appointment of a SID		

## CORPORATE GOVERNANCE

Principal	Description	Comment/Reference	Compliance Status
9.6.3 a-d	The Requirement for a SID	<p>The company has a SID since the Chairperson of the company is an Executive Director</p> <p>The independent Directors met once during the financial year 2024/25, chaired by the SID without the presence of the other Directors to discuss matters and concerns relating to the company and the operation of the Board. Thereafter the SID provided feedback and recommendation from the meeting to the Chairman and the other board members.</p> <p>The SID chaired a meeting of the Non-executive directors once during the financial year 2024/25, without the presence of the Chairperson, to appraise the Chairperson's performance</p> <p>The SID is entitle for a casting vote in the specified in rules 9.6.3 (b) and (c)</p>	Complied
9.6.3 e	SID shall make a signed explanatory disclosures demonstrating the effectiveness of their duties	Statement by the Senior Independent Director	Complied
9.6.4	Rational for the appointment of a SID set out in the Annual Report	Since the Chairperson is also an Executive Director, having a Senior Independent Director is important to prevent any single person from having too much unfettered powers. Having a SID helps to ensure that all Directors can think and decide independently.	Complied
<b>9.7 - Fitness of Directors and CEO</b>			
9.7.1 to 9.7.5	Requirement to meet the fit and proper criteria stipulated by the CSE and related disclosures	The Managing Director and the Board of Directors met and satisfied the fit and proper criteria stipulated by the CSE throughout the year	Complied
<b>9.8 - Board Composition</b>			
9.8.1	The Board of Directors of a entity shall, at a minimum consist of five Directors	Board of Directors	Complied
9.8.2	Minimum number of Independent Directors	Board of Directors	Complied
9.8.3 (i) to (ix)	Requirements for meeting criteria to be an Independence	All Independent Directors met the independence criteria set by the CSE	Complied
9.8.5 a and b	Signed and dated declaration of each Independent Director	Corporate Governance Section	Complied
	Determination of independence or non-independence of each INED		

Principal	Description	Comment/Reference	Compliance Status
<b>9.9 – Alternative Directors</b>			
a to e	Appointment of Alternative Directors	The board does not have any alternative directors	
<b>9.10 - Disclosures relating to Directors</b>			
9.10.2 and 9.10.3	The company, upon the appointment of a new director to its board and any changes to the board composition shall make an immediate market announcement	Timely market announcement was made through the CSE	Complied
9.10.4 (a-i)	Disclosures in relation to the directors	Board of Directors Corporate Governance Section Board Sub-committees Reports	Complied
<b>9.11 – Nomination and Governance Committee</b>			
9.11.1 - 3	Nomination and Governance Committee	Nomination and Governance Committee Report	Complied
9.11.4	Composition	Nomination and Governance Committee Report	Complied
9.11.5	Functions	Nomination and Governance Committee Report	Complied
9.11.6	Disclosure in Annual Report	Nomination and Governance Committee Report Corporate Governance Section	Complied
<b>9.12 – Remuneration Committee</b>			
9.12.3	The remuneration committee shall establish and maintain a formal and transparent procedure for developing policy on EDs and individual directors	Remuneration Committee Report	Complied
9.12.4	Remuneration for NEDs should be based on a policy of non-discriminatory pay practices to ensure the independence is not impaired	Remuneration of the Non-Executive Directors of the company is recommended by the Board collectively. No Directors is involved in deciding his own remuneration	Complied
9.12.5	The remuneration committee shall have a written terms of reference clearly defining its scope, authority, duties and matters pertaining to the quorum of meeting	Remuneration Committee Report	Complied
9.12.6	Composition	Remuneration Committee Report	Complied
9.12.7	Functions	Remuneration Committee Report	Complied
9.12.8	Disclosures in Annual Report		
9.12.8 a	Names of Remuneration Committee chairperson and members	Remuneration Committee Report	Complied
9.12.8 b	Statement of remuneration policy	Remuneration Committee Report	Complied

## CORPORATE GOVERNANCE

Principal	Description	Comment/Reference	Compliance Status
9.12.8 c	Aggregated remuneration paid to EDs and NEDs	Notes to the Financial Statements	Complied
<b>9.13 - Audit Committee</b>			
9.13.2	The audit committee shall have written terms of reference clearly defining its scope, authority, and duties	Audit Committee Report	Complied
9.13.3	Composition	Audit Committee Report	Complied
9.13.4	Functions	Audit Committee Report	Complied
9.13.5	Disclosure in Annual Report	Corporate Governance Audit Committee Report	Complied
<b>9.14 - Related Party Transactions Review Committee</b>			
9.14.2 (1)	RPTR Committee shall comprise of a minimum of 3 members, majority of whom should be IDs and an ID shall be appointed as the Chairperson	RPTR Committee Report	Complied
9.14.3	Functions	RPTR Committee Report	Complied
9.14.4	General Requirements	Corporate Governance RPTR Committee Report	Complied
9.14.5	Review of Related Party Transactions by the RPTR Committee	Corporate Governance RPTR Committee Report	Complied
9.14.6	Shareholder Approval	Corporate Governance RPTR Committee Report	Complied
9.14.8 (1)	Details pertaining to Non-Recurrent Related Party Transaction	RPTR Committee Report	Complied
9.14.8 (2)	Details pertaining to Recurrent Related Party Transaction	Notes to the Financial Statements	Complied
9.14.8 (3)	Report of the Related Party Transaction Review Committee	Corporate Governance RPTR Committee Report	Complied
9.14.8 (4)	Declaration by the BODs as an affirmation statement of compliance with the rules pertaining to RPTs or a negative statement otherwise	Report of the Board of Directors	Complied
9.14.9 (1) and (2)	Shareholder approval for acquisition and disposal of substantial assets		
9.14.9 (4) (5) and (6)	Competent independent advice with regard to the value of the substantial assets of the Related Party Transaction	Notes to the Financial Statements	Complied

Principal	Description	Comment/Reference	Compliance Status
<b>9.16 - Additional Disclosures</b>			
(i)	Directors have declare all material interests in contracts and have refrained from voting when materially interested	Report of the Board of Directors	Complied
(ii)	Directors have conducted a review of the internal controls and obtained reasonable assurance of their effectiveness and adherence	Report of the Board of Directors	Complied
(iii)	Directors are aware of laws, rules and regulations and their changes particularly to Listing Rules and applicable capital market provisions	Report of the Board of Directors	Complied
(iv)	Disclosures of material non-compliance with laws or regulation and fines by any government or regulatory authority where the Entity operates	Report of the Board of Directors	Complied

**THE COMPANY'S ADHERENCE TO CODE OF BEST PRACTICES ON CORPORATE GOVERNANCE ISSUED JOINTLY BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA AND THE SECURITIES AND EXCHANGE COMMISSION OF SRI LANKA.**

GRI 2-17.2-18

Principal	Comment	Compliance Status
<b>A Directors</b>		
<b>A.1 The Board</b>		
A.1	<p>The Company is headed by a Unitary Board comprising of ten members. The primary objective of the Board is to provide necessary stewardship, strategic direction, a policy framework and a governance structure in order to achieve the Vision of the Company. The Board regularly monitors the performance of the Company against goals and targets set on a periodic basis and discusses the same at Board meetings in great detail. Composition of the Board is set out on page 178.</p> <p>All Executive Directors are a part of the Company's Corporate Management Team. The Board consists of professionals from diverse fields such as Engineering, Accounting, Finance, Business Development, Human Resources and Consultancy, bringing independent judgment and perspectives for the efficient functioning of the Board and discharge of duties.</p> <p>They also sufficiently represent professional, academic and entrepreneurial domains, all of which are necessary for the effective functioning of the Board. Additionally, all Members of the Board possess adequate levels of skills, competencies and knowledge in their respective fields of specialization so as to provide overall strategic direction to the Company. The Board also sets the level of Risk Appetite of the Company.</p> <p>There are five Subcommittees of the Board of which four are mandatory and one is voluntary. These Committees ensure the Company's adherence to best practices of corporate governance in conducting business.</p>	Complied

## CORPORATE GOVERNANCE

Principal	Comment	Compliance Status
A.1.1	<p>During the year, four scheduled Board meetings were conducted, all of which were well planned and informed in advance and all Members were eligible to attend. Attendance of Members at meetings is given on page 186.</p> <p>As and when the need arise Special Board meetings are also conveyed though no such meeting was held during the year under review.</p> <p>In addition to the above, the Board Subcommittees also met at various frequencies to discuss matters under their purview as elaborated in detail under their respective Reports.</p>	Complied
A.1.2	A brief profile of each member of the Board of directors and Corporate Management team is given on pages 168 to 175.	Complied
A.1.3	<p>The Board collectively and the Directors individually, have recognized their duty to act in accordance with the prevailing Laws of the Country.</p> <p>The Board also complies with the sound framework of business practices in place, which further strengthens compliance with existing laws and regulations. In matters of strategic importance to the company, the Board obtains independent professional advice, if it deems necessary, at the expense of the Company.</p>	Complied
A.1.4	All Directors had access to the services of a professional Company secretarial body, which ensured that the Board received information on a timely manner for the effective conduct of meetings. The firm also provided the Board with advice on matters relating to compliance with rules and regulations, proper conduct of meetings and the adoption of best practices of corporate governance. The firm is also responsible for the distribution of the Company's Annual Report to its shareholders.	Complied
A.1.5	<p>All Directors are encouraged to bring independent judgment on matters relating to strategic direction of the Company, effective utilization of resources, performance and business conduct. The vast experience and knowledge they possess in their specialized fields ensure the execution of this judgment.</p> <p>Transparency of the judgments is further enhanced with the existence of three Independent Non-Executive Directors who continue to critically evaluate the decisions of the Executive Directors. The Board has put in place a culture of accepting the contribution of each member and all Directors have an equal opportunity to express their views and ideas. The composition of the Board is sufficient enough to ensure balance of power and no Director dominates the conduct of meetings or the Board's decision-making process.</p>	Complied
A.1.6	All Directors dedicated an adequate amount of time on matters relating to the Company and the Board. Their contribution to the Company was evident in the participation at Board meetings, Board Subcommittee meetings and in the decisions passed through circular resolution. Relevant Board Papers, together with supplementary information, were sent at least a week prior to the Board meetings so as to give them adequate time to critically review and study the contents. In the event additional information was requested by the Board through the Company Secretary the same was made available at the earliest in order to enhance the effectiveness of Board decisions.	Complied

Principal	Comment	Compliance Status
A.1.7	One third of the directors could request for a resolution to be presented to the Board for the best interest of the Company.	Complied
A.1.8	<p>A new Director who is appointed to the Board receives an orientation on the operations, risk management, internal control and other areas from the Managing Director in order to familiarize the new Director with the Company.</p> <p>Majority of the Independent Non-Executive Directors are members of the Sri Lanka Institute of Directors. Each Director was well aware of the need to continuously enhance his knowledge and skills so as to effectively perform his duties as a Director. Knowledge sharing among members, attending seminars organized by relevant professional bodies, participating in industry advancement sessions and policy making initiatives are some of the methods adopted during the year with respect to training and development.</p>	Complied
<b>A.2 Chairman and Chief Executive Officer (CEO)</b>		
A.2	The Chairman is responsible for the effective conduct of the business of the Board, while the executive responsibility for management of the Company's business is vested with the Managing Director. Hence there is a balance of power and authority. The Managing Director is supported by the Corporate Management in managing the day-to-day affairs of the Company. Decision-making at the highest level happens by adopting the rule of simple majority. No one individual is vested with unfettered powers of decision-making.	Complied
A.2.1	The Chairman is mainly responsible for leading, directing and controlling the affairs of the Board including the Board Balance, effective conduct of Board meetings and Special meetings of the Board. He is also responsible for maintaining effective external relationships. Day-to-day affairs of the Company are headed by the Executive Vice Chairman (EVC) who is supported by the Managing Director (MD). The EVC and MD give leadership to the Corporate Management team who is collectively responsible for the conduct of day-to-day operations.	Complied
<b>A.3 Chairman's Role</b>		
A.3	<p>As the highest member of the organization, the Chairman is committed to the practice of good corporate governance. As the head at the Board meetings, the Chairman ensures that the Board members receive adequate information prior to every meeting together with the agenda to enable them to take accurate decisions about the Company, facilitates discussions at the meetings to include the views of all Members, encourages participation of all members in the decision-making process and ensures accurate recording of proceedings via minutes through the Company Secretary. He is responsible for ensuring that the objectives of the meeting are achieved and adequately discussed among its members.</p> <p>The Chairman is also responsible for the composition and the structure of the Board, representing the views of the Company to the public, maintaining relationships with shareholders and overseeing the self-evaluation of Board members performance.</p>	Complied
A.3.1	The Chairman is responsible for making sure that the agenda, minutes of prior meetings, Board papers and supplementary information are circulated among the members in advance, giving sufficient time for preparation. Agenda for each Board Meeting is finalized by the Chairman in consultation with the Company Secretary and where necessary, feedback from the other Members is taken.	Complied

## CORPORATE GOVERNANCE

Principal	Comment	Compliance Status
<b>A.4 Financial Acumen</b>		
A.4	A brief profile of each member of the Board of directors is given on pages 168 to 171.	Complied
<b>A.5 Board Balance</b>		
A.5	<p>The Board comprises of ten Directors of which five are Executive Directors and five are Non-Executive. This ratio was maintained throughout the Financial Year. Composition of the Board is set out on page 178.</p> <p>No individual or small group of individuals can dominate the Board's decision-taking. Non-Executive Directors are not involved in the day-to-day operations of the Company, thus ensures independent judgment. Non-Executive Directors are also veterans in their respective fields both academically and professionally thus deemed suitable to hold office.</p>	Complied
A.5.1	50% of the Board of Directors of the Company operates in a Non-Executive capacity. Every Non-Executive Directors on the Board has excelled in their respective discipline. Thus their contribution to the decision-making of the Board was noteworthy during the year, both quantitatively as well as qualitatively.	Complied
A.5.2	The Board of Directors of the company Comprises five Non-Executive Directors out of which three are Independent. Composition of the Board is set out on page 178. (five NED in which three should be independent)	Complied
A.5.3	Three Independent Non-Executive Directors on the Board are not involved in day-to-day affairs of the Company and they do not have any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgment. Additionally, each Independent Non-Executive Directors submits a written declaration of his independence to the Board on an annual basis. This written annual submission is also considered as a part of their annual performance evaluation. Based on the written declaration submitted by the Independent Non-Executive Directors for the financial year 2024/25, they were considered as continuing to be independent.	Complied
A.5.4	During the year, each Non-Executive Director submitted a dated and signed declaration regarding their independence against the specified criteria set out in the Code. While this declaration fulfilled the requirements of Schedule K of this Code, no circumstance rose for the determination of independence by the Board outside the criteria set out by the Code.	Complied
A.5.5	<p>Based on the declarations submitted to the Board and other information available, the following Non-Executive Directors' of the Board were decided to be independent as at the end of the Financial Year.</p> <p>Mr. M J S Rajakariar Mr. R P Pathirana Mr. C V Kulatilaka</p> <p>The Board considered the annual declaration made by the Non-Executive Directors' to be a fair representation of their independence.</p>	Complied
A.5.6	This is not applicable as there are no Alternate Directors in the Company	N/A
A.5.7	This is not applicable as the Chairman of the Company is not the CEO. (There should be a SID because Chairman is not an independent director)	Complied
A.5.8	Please refer comment under A.5.7	Complied
A.5.9	The Chairman holds meetings with the NEDs' without the presence of Executive Directors as and when necessary. During the year one such meeting was held.	Complied

Principal	Comment	Compliance Status
A.5.10	During the year, there were no matters of the Company that the Board was unable to resolve unanimously. However, in the event such matter arises, the Company Secretary records same in sufficient detail in the Board minutes. These minutes are circulated among Board members prior to the next meeting.	Complied
<b>A.6 Supply of Information</b>		
A.6	The Board was provided with timely information by way of Management Reports, Proposals and Board Papers during the year. The information was made available by the Company Secretary along with the agenda at least seven days prior to the meeting in order to provide sufficient, time for preparation.  In the event, information provided was not sufficient supplementary information was provided on the request of Board Members.	Complied
A.6.1	Members of the Board (mainly Executive) are provided with Management Reports, Proposals and Project Performance Reports on a monthly basis, both in a quantitative and qualitative manner. In addition to this, the entire Board is provided with Board Papers and other relevant information by the Corporate Management. The Board is also appraised on areas such as CSR, Risk Management, Corporate Governance, Human Resources and Legal Compliance by the Corporate Management time to time. instances where additional information is required the same is requested, from the Corporate Management or the responsible individuals. As and when necessary, the Corporate Management also makes presentations to the Board in order to enable sound decision-making.  The Board has free and open access to all Corporate Management members. The Chairman ensured that all Board Members were briefed sufficiently on any matter/s arising from the meeting/s. Any Director who was unable to attend a particular Board meeting is briefed on the proceedings before the next meeting by the Chairman and through the minutes of the meeting.	Complied
A.6.2	As a norm, all board papers are circulated to the Board members 10 working days before hand for them to study the materials and prepare themselves for the meeting and the within two weeks of the meeting the decisions taken and the discussion points are minute and circulated for their review/comments and finalization.	Complied
<b>A.7 Appointments to the Board</b>		
A.7	All Board appointments are based on the capacity of the individual concerned to pass the 'fit and proper' test, which in turn is based on the qualifications, experience and the value that can be added by the individual to the Board as well as to the Company. Existing Directors are vested with the autonomy to critically evaluate the potential candidate in the above test and a final decision is taken by the Board collectively.	Complied
A.7.1	The Company has established a Nomination Committee on 14th February 2024. Refer Nomination and Governance Committee Report	Complied
A.7.2	During the year, the Board critically evaluated the 'quality' of the Board in terms of their qualifications, experience, independence and the value that can be added to the Company to effectively meet the demands of the Company. The Board is satisfied with its composition and the level of qualifications, knowledge and experience it possesses as a whole in order to meet strategic demands facing the Company.	Complied

## CORPORATE GOVERNANCE

Principal	Comment	Compliance Status
A.7.3	There were newly appointed directors during the year 2024/25, and all new appointments are promptly communicated to the CSE together with a brief résumé containing the member's expertise, other Directorships held and independence for public dissemination.	Complied
<b>A.8 Re-Election</b>		
A.8	<p>Directors are re-elected with the sanction of the shareholders at the Annual General Meeting of the Company. The Articles of Association of the Company requires one NED to appear for re-election every year and as such 2024 saw the re-election of Company Mr. S D Perera who retired by rotation. Generally, Directors who retire are the ones who have held office for the longest period since election and reappointment. Recommendations on the re-election of Directors are given by the Company Secretary and the same is reviewed by the Board.</p> <p>In terms of the Articles of Association of the Company Mr. Shamal J S Perera will retire by rotation and being eligible will offer him-self for re-election at the forthcoming Annual General Meeting.</p>	Complied
A.8.1	In terms of the Articles of Association of the Company, one NED is required to retire by rotation every year. The re-election of NEDs' is sanctioned by the shareholders at the AGM of the Company.	Complied
A.8.2	Refer Nomination and Governance Committee Report	Complied
A.8.3	Resignation	
A.8.3	Before the formal resignation the directors explain their reasons for the resignation decision and the same is being minute under the Board meeting minutes. Also when Directors send their resignation letters, they explain the decision factors in the resignation letter for the documentary purposes.	Complied
<b>A.9 Appraisal of Board Performance</b>		
A.9	Performance of the Board is evaluated from time to time with at least once a year to ensure that responsibilities are satisfactorily discharged. Appraisal of Board performance is usually coordinated by the Company Secretary and overseen by the Chairman.	Complied
A.9.1	In order to retain the enthusiasm in company operations overall the Board members meet the chairman and conduct face to face discussions on the members anticipated suggestions for the betterment of the Company and the Chairman there address the performance remarks of the individual Board members that he has observed during the year.	Complied
A.9.2	Members of the Board and Board Committees carried out self-assessments of their performance for the FY 2024/25 against targets set at the beginning of the year. Minutes of the results of these assessments were recorded by the Company Secretary and areas for improvement in the FY 2024/25 were identified. Each individual Director was satisfied of his performance in the FY 2024/25. Over the years, both individual and collective performance appraisal of the Board has facilitated continuous development and improvement.	Complied

Principal	Comment	Compliance Status
A.9.3	When a member's name is up for re-election the rest of the Board members discuss the value addition brought by that particular member to the Board and the contribution made thereof. And based on the discussion points the decision is made as to re-elect the member or not to. The discussion points are being minuted under the Board meeting minutes.	Complied
A.9.4	The performance of the Board has been appraised though a formalized process of individual appraisal by enabling each member to self-appraise on an anonymous basis	Complied
<b>A. 10 Disclosure of Information in Respect of Directors</b>		
A.10	Shareholders are informed as and when necessary about changes to the Board, interest in the shares of the Company and other relevant details through disclosures and financial results released to the CSE for public dissemination.	Complied
A.10.1	Please refer the following pages 168 to 171 for the information relating to Directors of the Company.	Complied
<b>A.11 Appraisal of Chief Executive Officer</b>		
A.11	Not applicable as the Company doesn't have a CEO.	N/A
A.11.1	Not applicable as the Company doesn't have a CEO.	N/A
A.11.2	Not applicable as the Company doesn't have a CEO.	N/A
<b>B. Directors' Remuneration</b>		
<b>B.1 Remuneration Procedure</b>		
B.1	Remuneration payable to the Executive Directors of the Company is recommended by the Remuneration Committee.  Remuneration payable to the Non-Executive Directors of the Company is recommended by the Board as a whole. No Director is involved in deciding his own remuneration.	Complied
B.1.1	The Remuneration Committee is responsible for recommending the remuneration payable to Executive Directors. The Committee makes recommendations to the Board, which is responsible for the final determination.	Complied
B.1.2	The Remuneration Committee appointed by the Board consisted of four Non-Executive Directors out of which three were independent.	Complied
B.1.3	Details of the Remuneration Committee are given in pages 215 to 216 of this Report.	Complied
B.1.4	Remuneration payable to the Non-Executive Directors is decided by the Board as a whole. The Non-Executive Directors are paid a monthly fee for being a Member of the Board and its Sub-committees. Since the Non-Executive Directors are not involved in the day-to-day affairs of the Company they are not entitled to any performance incentives.	Complied
B.1.5	The Remuneration Committee consulted the Chairman and the Vice Chairman in providing recommendations regarding the remuneration of other Executive Directors. The Chairman and the Vice Chairman are not remunerated by the Company.	Complied

## CORPORATE GOVERNANCE

Principal	Comment	Compliance Status
<b>B.2 Level and Make Up of Remuneration</b>		
B.2	<p>The remuneration package of both Executive and Non-Executive Directors is based on a variety of factors including their contribution to the Company, market rates of remuneration and their expectation. The Board is aware of the fact that the level of remuneration should be sufficient enough to attract and retain Directors of high caliber to direct the Company.</p> <p>Portion of the remuneration of the Executive Directors' is linked to their performance which is evaluated against targets set and agreed at the beginning of the period.</p>	Complied
B.2.1	The Remuneration Committee considers the value addition of Executive Directors and their contribution to the achievement of short and long-term objectives in structuring their remuneration packages so as to ensure that nothing is paid more than necessary.	Complied
B.2.2	As the remuneration of the key personnel are being decided and approved by the Board based on the evaluation and recommendation made by the Remuneration committee in parity with the current market rates and packages provided, the executive Directors' remuneration also followed by the same process, also providing specific targets in the ED's TOR which directs the ED in achieving the organizational performance goals in overall.	Complied
B.2.3	<p>The Committee conducts an analysis of other companies in the industry in deciding the levels of remuneration of the Company.</p> <p>If the need arises the Company carries out an annual salary survey in determining the level of remuneration of key positions and their increment.</p>	Complied
B.2.4	Companies within the Group operate in different industry and market sectors where the remuneration and employment conditions are substantially different to those of the Company.	Complied
B.2.5	The extent of contribution and value addition towards achieving the set targets and objectives of a particular year is the key determinant in deciding the performance related element of the remuneration of the Executive Directors.	Complied
B.2.6	Not applicable as there are no Executive share options in the Company.	N/A
B.2.7	Provisions of Schedule E of the Code were followed in designing schemes of performance related remuneration.	Complied
B.2.8	There are no compensation commitments (including pension contributions) in Directors contracts of service.	N/A
B.2.9	Not applicable as the Company's objective is to avoid early termination by all means.	Complied
B.2.10	The remuneration of Non-Executive Directors reflects the degree of responsibilities and the level of time commitment extended by them in contributing and adding value to the Company's decision-making. The NEDs' do not have any share options in the Company.	Complied
<b>B.3 Disclosure of Remuneration</b>		
B.3	<p>Compensation paid to Key Management Personnel is given in page 316 of this Report.</p> <p>Remuneration committee Report is given in the pages 215 to 216.</p>	Complied
B.3.1	Names of the members of the Remuneration Committee and the compensation paid to Key Management Personnel are given in pages 215 and 316 of this Report respectively.	Complied

Principal	Comment	Compliance Status
<b>C Relations with Shareholders</b>		
<b>C.1 Constructive Use of the Annual General Meeting (AGM) and conduct of General Meetings</b>		
C.1	<p>The Company considers the AGM as the primary tool of communication with shareholders. The Notice of Meeting inviting all shareholders is given on page 345 of this Report. All shareholders are free to raise any queries from the Board, on matters relating to the Company at the AGM. The Board encourages an open dialogue with shareholders at the AGM.</p> <p>Usual proposals adopted at the AGM include the Annual Report and the Accounts, reappointment of Directors and Auditors and any other matter that require shareholder approval as per the provisions of the Articles Association of the Company.</p>	Complied
C.1.1	All related papers and the Notice of Meeting are sent to the shareholders 15 days before the AGM through the Company Secretary.	Complied
C.1.2	To receive and consider the Annual Report and Accounts is the first resolution adopted at every AGM. Further, the Company proposes separate resolutions on each substantially separate issue. Hence shareholders are given the opportunity to vote separately on each substantial issue.	Complied
C.1.3	The secretariat and admin teams have strict follow up from the day the notice of the meeting along with the Annual report is sent to the shareholders. They track the appointed proxies at the time of the registration of the AGM and the Secretary teams do note the casted votes in favor of the passed resolutions accordingly.	Complied
C.1.4	Before the AGM date, the company Board and the respective sub committees meet and organize how the AGM should process and run through the possible questions that the management may face. Accordingly all the committee heads are prepared in an instance where a related question is post to answer them.	Complied
C.1.5	<p>The notice of meeting and related documents is circulated to the Shareholders 15 working days prior to the AGM. Summary of the procedures governing voting at the AGM is provided in the proxy form, which is circulated to Shareholders together with the notice of meeting 15 working days prior to the AGM.</p> <p>The Board encourages all Shareholders to attend and actively participate in the AGM. The Shareholders may raise any queries they have with the Directors.</p>	Complied
<b>C.2 Communication with Shareholders</b>		
C.2	The AGM, Annual Report and other General Meetings (as and when required) are the primary means of communication with shareholders. Additionally, the Company makes disclosures on Material and price sensitive matters from time to time to the CSE for dissemination among the public. Similarly the Company's website www.accessengsl.com is updated with financial and project related information, corporate disclosures and other press releases for public viewing.	Complied
C.2.1	Refer comment given under C.2.	Complied
C.2.2	The Company's policy on information dissemination is based on the prime need of creating a fair market for the Company's securities among all market participants. Hence the Company focuses on accurate, timely, relevant and open information dissemination and communication so as to avoid any market malpractice or doubt.	Complied
C.2.3	The Company has disclosed the contact information in all their publications and always encourages our shareholders to connect with us. Apart from that in our website we have allocated a separate page indicating Investor information such as the market price per share	Complied

## CORPORATE GOVERNANCE

Principal	Comment	Compliance Status
C.2.4	The point of contact is given in page 7 of this Report	Complied
C.2.5	The shareholders are free to correspond with the Board either directly or through the Company Secretary as they wish. The Directors can also be met by the shareholders on appointment. The Company Secretary keeps a record of all valid correspondence from the shareholders and directs them to the appropriate Board member who in return would respond as necessary. The Company also has a dedicated investor relations email that could be equally utilized by any shareholder to correspond.	Complied
C.2.6	Both the Company Secretary as well as members of the Board acts as contacts points in relation to shareholder matters.	Complied
C.2.7	Responses for shareholder queries directly sent to individual members of the Board are sent by the respective members. Queries directed to the Company Secretary are responded by the Directors via the Company Secretary.	Complied
<b>C.3 Major and Material Transactions</b>		
C.3	Refer the Related Party Transactions Review Committee Report on page 213 and Note 29 of Notes to the Financial Statements.	Complied
C.3.1	Refer the Related Party Transactions Review Committee Report on page 213 and Note 29 of Notes to the Financial Statements.	Complied
C.3.2	Refer the Related Party Transactions Review Committee Report on page 213 and Note 29 of Notes to the Financial Statements.	Complied
<b>D Accountability and Audit</b>		
<b>D.1 Financial Reporting</b>		
D.1	The Annual Report of the Board of Directors on the Affairs of the Company making the relevant declarations is given on pages 248 to 254 of this Report.	Complied
D.1.1		
D.1.2	Audited Financial Statements giving a true and fair view of the operations of the Company, Interim Financial Statements and other price sensitive disclosures are made by the Company periodically and as and when required in accordance with the applicable rules and regulations.  In these aspects the Company complied with the requirements of the Companies Act No. 07 of 2007, Registrar of Companies, Department of Inland Revenue and Sri Lanka Accounting Standards and reporting requirements of the Colombo Stock Exchange and the Securities and Exchange Commission of Sri Lanka.	Complied
D.1.3	The Financial statements itself has the respective declaration stating that all standards, legal requirements are met with and the General Manager - Finance and the Managing Director signs the financial statements below that declaration. Apart from that and annual declaration is also signed by the GM – Finance and the MD confirming the same.	Complied
D.1.4	The Annual Report of the Board of Directors on the Affairs of the Company making the relevant declarations is given on pages 248 to 254 of this Report.	Complied
D.1.5	'Directors responsibility for Financial Reporting', 'Statement of Auditors' and the 'Directors Statement on Internal Control' are given on pages 250, 257 to 261 and 256 respectively.	Complied
D.1.6	'Management Discussion and Analysis' is given on pages 59 to 166 of this Report	Complied
D.1.7	Not applicable as there was no serious loss of capital during the year.	N/A

Principal	Comment	Compliance Status
D.1.8	<p>The Company has set in place an effective and comprehensive system of internal control for identifying, recording and disclosing related party transactions. This system ratified by the Board ensures that there is no conflict of interest when transacting with related parties and that there will be no bias favorable treatment.</p> <p>All related party transactions as defined in Sri Lanka Accounting Standards - LKAS 24 'Related Party Transactions' are disclosed in Note 29 to the Financial Statements.</p>	Complied
<b>D.2 Risk Management and Internal Controls</b>		
D.2	<p>The Company operates with a sound system of internal control within an integrated risk management framework that is formulated and ratified by the Board. This system ensures that shareholders interests and Company assets are safeguarded.</p> <p>The Board Audit Committee is responsible to the Board for ensuring the effective operation of the system of internal controls to achieve objectives of the Company.</p>	Complied
D.2.1	<p>The Board is responsible for formulating and implementing appropriate systems of internal control for the Group and in turn assessing its effectiveness. The Group's internal audit division assists the Board of Directors and the Audit Committee in carrying out the above task. Any internal control system has its inherent limitations. The Board is aware of the inherent limitations and has taken appropriate steps to minimize same.</p> <p>The Directors' responsibility for maintaining a sound system of internal control is given in the Board of Directors' Statement on Internal Control on page 256.</p>	Complied
D.2.2	<p>The confirmation of the Risk assessment conducted and the principal risks faced by the Company are disclosed in the Managing Risks and Opportunities report is given on pages 219 to 230 of this Report.</p>	Complied
D.2.3	<p>The Company has an Internal Audit Function headed by the 'Head of Internal Audit' and overseen by the Board Audit Committee.</p>	Complied
D.2.4	<p>Operation and review of internal controls is done by the Internal Audit function as a continuous and ongoing process including internal control over financial reporting. These reports are forwarded to the Audit Committee for review to ensure that the system of internal control and the risk management process are effective. The Board is responsible for making disclosures on internal controls.</p> <p>In 2024/25 the Board was satisfied with the effectiveness of the system of internal control in place within the Company.</p>	Complied
D.2.5	<p>Refer page 256 for the 'Directors Statement on Internal Controls'.</p>	Complied
<b>D.3 Audit Committee</b>		
D.3	<p>Accounting policies and financial reporting principles of the Company are formulated so as to ensure compliance with all applicable standards, rules and other regulations. At times the guidance of the External Auditors is also sought in this process.</p>	Complied
D.3.1	<p>The Audit Committee comprises three Independent Non-Executive Directors and two Non-Executive Director of the Board. The Chairman of the Committee is an Independent Non-Executive Director</p>	Complied
D.3.2	<p>AEL has developed a Charter for the Audit Committee clearly defining the objective/ Duties of the Committee, each member's duties and responsibilities and administrative arrangements etc.</p>	Complied

## CORPORATE GOVERNANCE

Principal	Comment	Compliance Status
<b>D.3.3 Disclosures</b>		
D.3.3	The Audit committee report enhances a descriptive note regarding the Audit committee and how they discharge their duties and also show how they have allocated their valuable time by participating to the meetings and decision making. (Ref. page 211)	Complied
<b>D.4 Related Party Transaction Review Committee</b>		
D.4	As a group norm when transacting with Related parties of the group the responsible parties stress on the price at which the transaction takes place to make sure that neither the buyer nor the seller will gain extra ordinary gain through the same.	Complied
D.4.1	Company has considered the guidelines provided in the LKAS 24 in defining the Related parties, in developing the charter for the Related Party Transaction committee.	Complied
D.4.2	In compliance with the requirements of the voluntary code of the Corporate Governance the Related Party Transaction Review Committee comprise of three Non-Executive Directors who are also independent. Also the Managing Director attends the meetings upon invitation by the committee.	Complied
D.4.3	Company has developed a Charter for the Related Party Transaction Review Committee clearly defining the objective/ Duties of the Committee, each member's duties and responsibilities and administrative arrangements etc.	Complied
<b>D.5 Code of Business Conduct and Ethics</b>		
D.5	Refer pages 176 to 187 of this Report. – Corporate governance section.	Complied
D.5.1	AEL has a Code of Ethics which includes the code of conduct and is circulated to Directors and all employees. The Board ensures that the Directors and the employees strictly adhere to the Code of Ethics of the Company in their duties so as not to adversely affect the brand of access in any manner. The violation of the code of ethics is an offence which is subject to disciplinary action.	Complied
D.5.2	The price sensitive transactions relating to Investments are monitored through the Investment Performance and Monitoring committee and through the Audit Committee. Significant matters are informed to the board for further action	Complied
D.5.3	Refer the report of the Related Party Transaction Review Committee on pages 213 to 214.	Complied
D.5.4	Refer pages 176 to 187 of this Report. - Corporate governance section.	Complied
<b>D.6 Corporate Governance Disclosures</b>		
D.6	This Report on the Company's compliance with the CA Sri Lanka/SEC 'Code of Corporate Governance' meets this requirement.	Complied
D.6.1	Same as D.5	Complied
<b>E Institutional Investors</b>		
<b>E.1 Shareholder Voting</b>		
E.1	Board encourages the active participation of Institutional shareholders at the AGM. In addition, Executive Directors meet institutional shareholders upon their request to discuss about the Company's past performance and future strategies.	Complied
E.1.1	The most structured and continuous dialogue the Company has with the shareholders is the AGM. The Chairman is available to meet shareholders at the end of each AGM and can be met on appointment on other occasions. The Chairman then communicates the views and concerns of shareholders to the Board as a whole.	Complied

Principal	Comment	Compliance Status
<b>E.2 Evaluation of Governance Disclosure</b>		
E.2	Institutional investors are encouraged to give due weight to all relevant factors drawn to their attention in evaluating Companies' governance arrangements.	Complied
<b>F.1 Investing/Divesting Decisions</b>		
F.1	The Company encourages individual shareholders to carry-out adequate analysis or seek independent advice in investing or divesting decisions. The Company facilitates this process by providing information necessary for the same on a timely and unbiased basis.  This Integrated Report prepared by the Company gives sufficient information to shareholders to carry out their own analysis of the Company and its operations.	Complied
F.2 Shareholder Voting	The Company encourages individual shareholders to participate in Annual General Meetings and exercise their voting rights.	Complied
<b>G Internet of things and cyber security</b>		
G.1	Refer page 228 of this Annual Report (Information and Technology Risk)	Complied
G.2	The functions of the CISO are carried out by the Manager IT reporting to the Senior General Manager.  The Manager IT is responsible for assessing various Internets of things and Cyber security requirements and to implement necessary strategies, which is discussed with the Senior General Manager to aid in handling unforeseen events such as data loss, data and security breaches.	
G.3	Relevant risks are discussed at Internal Audit Report and reported the same to Audit Committee. The Audit Committee along with the Manager IT reviews potential and ongoing cyber security risks and strategizes a course of action. High risk matters are referred to the Board for further actions.	
G.4	Issues are addressed at the Integrated Risk Management audit annually carried out by an independent third party and identified issues are reported through the management letter. The audit findings are thoroughly and periodically reviewed in order to mitigate any potential or ongoing risks as, Internet of Things and Cyber security has become an essential part of the business model due to the ongoing global conditions.	Complied
G.5	The Company adheres to the required level of cyber security by analyzing the gravity of the requirement and the IT department does continuous monitoring to mitigate the identified risk.	Complied
<b>H Environment, Society and Governance (ESG)</b>		
H.1.1 Reporting of ESG Factors	Refer pages 147 to 155 of the Annual Report - Social and Environmental Capital for this requirement	Complied
H.1.2 Environmental Factors	Refer pages 147 to 155 of the Annual Report - Social and Environmental Capital for this requirement	Complied
H.1.3 Social Factors	Refer pages 147 to 155 of the Annual Report - Social and Environmental Capital for this requirement	Complied
H.1.4 Governance	Refer pages 176 to 218 of the Annual Report - Corporate Governance for this requirement	Complied
H.1.5 Board's role on ESG Factors	AEL Engineering understands its role and responsibility in ESG reporting and ensures that the company adheres to the ESG reporting requirements.	Complied

## CORPORATE GOVERNANCE

### Statement of Compliance under Section 168 of Companies Act No. 7 of 2007

Principal	Description	Comment	Compliance Status
<b>Section 168 – Contents of Annual Report</b>			
(1) (a)	The nature of the business of the Group and the Company together with any change thereof during the accounting period	Notes to the Financial Statements	Complied
(1) (b)	Signed Financial Statements of the Group and the Company for the accounting period completed	Financial Statements	Complied
(1) (c)	Auditor's Report on the Financial Statements and any group Financial Statements	Independent Auditors' Report	Complied
(1) (d)	Change in accounting policies made during the accounting period	Notes to the Financial Statements	Complied
(1) (e)	Particulars of entries in the interests register made during the accounting period	Annual Report of the Board of Directors	Complied
(1) (f)	Remuneration and other benefits of Directors during the accounting period	Notes to the Financial Statements	Complied
(1) (g)	Total amount of donations made by the Company during the accounting period	Annual Report of the Board of Directors	Complied
(1) (h)	Names of the persons holding office as Directors of the Company as at the end of the accounting period and the names of any persons who ceased to hold office as Directors of the Company during the accounting period	Board of Directors	Complied
(1) (i)	Amounts payable by the Company to the person or firm holding office as Auditor of the Company as audit fees and as a separate item, fees payable by the Company for other services provided by that person or firm	Notes to the Financial Statements	Complied

# STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

## STATEMENT BY THE SENIOR INDEPENDENT DIRECTOR

I was appointed by the Board as the Senior Independent Director (SID) with effect from 01st January 2025, following the resignation of Mr. D. S. Weerakkody who served as SID until his resignation on 31st December 2024.

In accordance with the CSE Listing Rule No. 9.6.3, it is required that a Senior Independent Director (SID) be appointed in the event when the Chairman and CEO is the same person or the Chairman is not an Independent Non-Executive Director, or the Chairman and CEO are closely related parties. As per this Listing Rule, Access Engineering PLC is required to have a SID due to Chairman, Mr. Sumal Perera, being an Executive Director.

## ROLE OF THE SENIOR INDEPENDENT DIRECTOR

The Senior Independent Director (SID) plays a key advisory role to the Chairman on matters related to corporate governance and Board effectiveness. The SID is responsible for upholding the highest standards of transparency and integrity, and is tasked with facilitating periodic reviews of the Board's performance. Additionally, the SID remains accessible to any Director or employee for confidential discussions concerning Company affairs, when required.

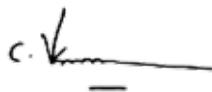
## ACTIVITIES DURING THE YEAR

To address issues and concerns related to the organization and the Board's operations, I chaired a meeting exclusively with the Independent Directors, held without the presence of other Directors. The feedback and recommendations arising from this meeting were subsequently communicated to the Chairperson and the rest of the Board.

A separate meeting of the Non-Executive Directors was held without the Chairman present, for the purpose of evaluating the Chairman's performance.

As the SID, I affirm that AEL remains steadfast in upholding the highest standards of corporate governance and is fully committed to the principles of good governance. The Board of Directors, under its collective responsibility, actively fosters a culture of integrity and compliance by meeting all legal obligations while voluntarily adhering to best practices. This commitment is aimed at strengthening stakeholder confidence and supporting long-term value creation.

I am confident that I have effectively carried out the responsibilities entrusted to me as the Senior Independent Director, in alignment with the principles outlined in the Corporate Governance guidelines.



**VAJIRA KULATILAKA**

Senior Independent Director

22 July 2025

# NOMINATION AND GOVERNANCE COMMITTEE REPORT

In terms of Section 9 of the Listing Rules of the Colombo Stock Exchange the Nominations and Governance Committee of the company was formed on 14th February 2024

## COMPOSITION

The composition of the Nomination and Governance Committee was restructured with effect from 1st January 2025 as detailed below;

Names of the Directors	Directorship Status	Membership Status	Period
Prof. K A M K Ranasinghe (resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Chairman	1 April 2024 - 31 December 2024
Mr. D S Weerakkody (resigned w.e.f 31 December 2024)	Senior Independent Non-Executive Director	Member	
Mr. C V Kulatilaka (appointed w.e.f 1 January 2025)	Senior Independent Non-Executive Director	Chairman	1 January 2025 - 31 March 2025
Mr. R P Pathirana (appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Member	
Mr. Shamal J S Perera	Non-Executive Director	Member	1 April 2024 - 31 March 2025

## KEY RESPONSIBILITIES

The principal responsibilities of the committee include:

- » Establish a formal and transparent procedure to evaluate, select and appoint/re-appoint Directors of the Company
- » Develop succession plan for Board of Directors and Key Management Personnel of the company
- » Review the structure, size and composition of the Board and Board Committees with regard to effective discharge of duties and responsibilities.
- » Review and recommended the overall corporate governance framework of the Listed Entity taking into account the Listing Rules of the Exchange, other applicable regulatory requirements and industry/international best practices.
- » Receive reports from the Management on compliance with the corporate governance framework of the company including the company's compliance with

provisions of the SEC Act, Listing Rules of the Exchange and other applicable laws, together with any deviations/non-compliances and the rationale for same.

## ACTIVITIES DURING THE YEAR

### 1. Board appointments

The committee recommended and the Board approved the following new appointments during the year:

- » Mr. Condagamage Vajira Kulatilaka was appointed as an Independent Non-Executive Director with effect from 1st October 2024 bringing in extensive experience in investment banking and capital markets. He was also appointed as a Senior Independent Director with effect from 1st January 2025 in terms of Rule 9.6.3 of the Listing Rules of the Colombo Stock Exchange.
- » Mr. Manoha Jude Sergius Rajakariar joined as an Independent Non-Executive Director with effect from 1st November 2024. He is a highly experienced finance professional with a career spanning over 30 years.

- » Mr. Ranil Prasad Pathirana was appointed as an Independent Non-Executive Director with effect from 31st December 2024. His expertise in finance, apparel and energy sector is expected to strengthen Board oversight.

### 2. Resignation

The committee took note of the following resignation:

- » Mr. Dinesh Stephen Weerakkody, Senior Independent Non-Executive Director, tendered his resignation with effect from 31st December 2024. The committee expressed its appreciation for his contribution to the Board and its committees.
- » Mr. Niroshan Dakshina Gunaratne Independent Non-Executive Director stepped down from the Board effective from 31st December 2024. He brought significant value to the Board through his expertise in finance and accounting over 25 years.

- » Prof. Kulatilleke Arthanayake Malik Kumar Ranasinghe, Independent Non-Executive Director resigned from Board with effect from 31st December 2024. His insight and service over the years were duly acknowledged.

### 3. Governance and Policy Review

- » The committee reviewed and recommended updates to the Board Charter and the Terms of Reference of all Board Committees.
- » Governance policies, including those on Board diversity, independence, and conflicts of interest, were reviewed to ensure compliance with evolving regulatory requirements.

#### RE-APPOINTMENTS/ RE-ELECTIONS

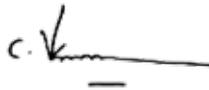
According to the Articles of Association, the Committee has recommended to re-elect Mr. Shamal J S Perera to the Board at the Annual General Meeting to be held on 27th August 2025, based on his performance and the contribution made to achieve the objectives of the Board. He was appointed to the Board in September 2020, and last re-appointed as a Director in September 2023. His directorship and other principal commitments are given in the profile on page 170 of this report.

Mr. Shamal J S Perera is the son of the Chairman of Access Engineering PLC. As such, he is considered a close family member of key management personnel. No other directors or their family members hold more than 10% of the shares of the company.

Mr. C V Kulatilaka who was appointed to the Board on 1st October 2024, Mr. M J S Rajakariar who was appointed on 1st November 2024 and Mr. R P Pathirana who was appointed on 31st December 2024 will come up for re-election by the shareholders at the

Annual General Meeting. Their profiles, including details of their other principal commitments and directorships, are set out on pages 170 to 171 of this report.

The committee remains committed to maintaining a robust governance framework and a Board with the right balance skills, independence, and diversity. The Company complies with the Corporate Governance requirements outlined in the Listing Rules of the Colombo Stock Exchange, with detailed information provided on pages 187 to 206.



#### VAJIRA KULATILAKA

Chairman  
Nomination and Governance  
Committee

22 July 2025

# AUDIT COMMITTEE REPORT

The Committee was established under the Corporate Governance rules of Section 9.13 of the Colombo Stock Exchange and the Code of Best Practice on Corporate Governance issued jointly by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka. The Committee continued to review and report to the Board on the

company's financial reporting, internal control system, internal and external audits, risk management processes, compliance with legal and regulatory requirements. These endeavours aim to safeguard the interests of shareholders and all other stakeholders.

The committee functions in accordance with a formal Charter sanctioned

by the Board and fully adhere to the stipulations of the Colombo Stock Exchange listing rules, the Companies Act No. 07 of 2007, and the principles of sound governance outlined in the Code of Best Practices on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka.

## COMPOSITION

The composition of the Audit Committee was restructured with effect from 1st January 2025 as detailed below.

Names of the Directors	Directorship Status	Membership Status	Period
Mr. N D Gunaratne (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Chairman	
Mr. D S Weerakkody (Resigned w.e.f 31 December 2024)	Senior Independent Non-Executive Director	Member	1 April 2024 - 31 December 2024
Prof. K A M K Ranasinghe (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member	
Mr. M J S Rajakariar (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Chairman	
Mr. R P Pathirana (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Member	1 January 2025 - 31 March 2025
Mr. C V Kulatilaka (Appointed w.e.f 1 January 2025)	Senior Independent Non-Executive Director	Member	
Mr. S D Perera	Non-Executive Director	Member	1 April 2024 - 31 March 2025
Mr. Shamal J S Perera	Non-Executive Director	Member	

The Audit Committee comprises of three (3) Independent Non-Executive Directors and Two (2) Non-Executive Directors. The Committee is now chaired by Mr. M J S Rajakariar, an independent Director.

The chairperson of the audit committee possesses the required qualifications and experience in finance and accounting. Further, all members possess financial and or relevant business expertise as required. The Board is satisfied that the committee has an adequate combination of skills

and commercial experience to facilitate a satisfactory level of discharge of their responsibilities

## COMMITTEE MEETING

The Audit Committee remained active throughout the financial year and convened five (05) times. During these meetings, the Committee reviewed and assessed the effectiveness of the internal control systems to ensure that appropriate safeguards were in place for the Company's assets and the financial reporting processes remained reliable.

All other matters, including the interim Financial Statements, were approved through Circular Resolution, where necessary.

In addition to the Committee members, the Managing Director and the General Manager Finance attended the meetings by invitation. The Head of Internal Audit attended all meetings, and the Company Secretaries attended each meeting.

The attendance at the Audit Committee meetings held during the year under review was as follows;

Name of Director	15.05.2024	08.08.2024	13.11.2024	13.02.2025	11.03.2025
Mr. N D Gunaratne	√	√	√	n/a	n/a
Prof K A M K Ranasinghe	√	√	√	n/a	n/a
Mr. D S Weerakkody	√	√	√	n/a	n/a
Mr. M J S Rajakariar	n/a	n/a	n/a	√	√
Mr. R P Pathirana	n/a	n/a	n/a	√	√
Mr. C V Kulatilaka	n/a	n/a	n/a	√	√
Mr. S D Perera	√	√	√	√	x
Mr. Shamal J S Perera	√	√	√	√	x

#### ROLE OF THE AUDIT COMMITTEE

- » The Audit Committee supports the Board in fulfilling its overall independent oversight responsibilities, particularly in relation to the accuracy and integrity of the Financial Statements, the effectiveness of internal control systems, and compliance with company policies, as well as applicable legal and regulatory requirements. These efforts aim to safeguard the interests of shareholders and other stakeholders. The scope of the Committee's functions and responsibilities is clearly defined in its Terms of Reference, which are approved by the Board and reviewed periodically to ensure continued relevance and effectiveness.
- » Ensuring the effectiveness of the company's systems of internal control, financial reporting, and risk management, as well as compliance with applicable laws and regulations, and evaluating the adequacy and effectiveness of the company's overall governance processes.
- » Reviewing all matters related to the company's adopted accounting principles and practices, and evaluating all significant financial, operational, and compliance controls. The Committee is provided with adequate resources to effectively carry out its responsibilities, including necessary support from the internal audit department, external auditors, and senior management.

- » Develop and implement policies governing the provision of non-audit services by the external auditors, ensuring alignment with applicable ethical standards and regulatory guidelines. The Committee is also responsible for the pre-approval of all audit and permissible non-audit services provided by the external audit firm, to safeguard auditor independence and maintain the integrity of the financial reporting process.

#### ACTIVITIES DURING THE YEAR 2024/25

##### Financial Reporting and Significant Judgment

The Committee is responsible for reviewing whether suitable accounting policies have been adopted and whether Management has made appropriate estimates and judgments in the preparation of the Financial Statements. As part of its review the Committee considers the clarity and completeness of disclosures in the Financial Statements to assess whether these have been set appropriately in the context. The Committee also keeps under review the impact of any actual or expected changes to accounting standards applicable to the company and provides general oversight in relation to the financial policies of the company.

The Audit Committee reviewed the quarterly and annual Financial Statements prior to its publication and the review included:

- » Appropriateness and changes in accounting policies
- » Significant estimates and judgments made by the Management
- » Compliance with relevant accounting standards and applicable regulatory requirements
- » Impairment of assets
- » Issues arising from the internal audit and independent external audit
- » The Company's ability to continue as a going concern

##### External Audit

The Audit Committee reviewed the independence and objectivity of the External Auditors, Messrs KPMG Sri Lanka, and Chartered Accountants. The Audit Committee has met with the External Auditors to review their audit plan and any observations made by them. The Committee has received a declaration from the External Auditors, confirming that they do not have any relationship or interest in the Company or its subsidiaries. The Committee reviewed the non-audit services and its impact on the independence of the External Auditors. The Audit Committee has recommended to the Board that Messrs KPMG be reappointed as the Independent External Auditor and that the reappointment be included in the agenda of the Annual General Meeting.

The current External Auditors, Messrs KPMG Sri Lanka, and Chartered Accountants, have served as the company's auditors since its inception

# AUDIT COMMITTEE REPORT

and continued in this capacity to date. In line with applicable regulatory requirements and established best practices, the audit partner is rotated periodically to ensure continued independence and objectivity. The most recent partner rotation took place during the financial year 2024/25

## Internal Audit

The Committee reviewed and approved the 2024/25 Internal Audit Plan and continuously monitored progress against the Plan throughout the year. The results of the audits conducted during 2024/25, along with the corresponding management actions, were discussed in detail at each Committee meeting. The Head of Internal Audit attended all of the Committee's meetings during the year and also held discussions with the Committee in the absence of Management.

## Risk Management and Internal Control

The Audit Committee played an active role in overseeing the company's risk management and internal control frameworks. The Committee obtained and reviewed statements from the Heads of Business Units, each identifying their key business risks along with the mitigatory actions taken or planned to address those risks. In addition, the Committee conducted assessments of Environment, Social, and Governance (ESG) risks, with a focus on identifying, prioritizing, and monitoring sustainability-related risks and opportunities.

The Committee also reviewed the effectiveness of risk management practices, internal control systems, business continuity planning, and information security measures. Where necessary, the Committee recommended appropriate remedial actions to the Board to strengthen these frameworks.

The effectiveness of the company's system of internal controls was assessed through reports submitted by Management, Internal Auditors, and the Independent External Auditors. Based on these evaluations, the Committee was satisfied that a sound internal control system was in place, providing reasonable assurance regarding the safeguarding of the Company's assets and the reliability of its Financial Statements.

## ETHICS AND GOOD GOVERNANCE

The Audit Committee remained firmly committed to upholding the highest ethical standards across the company's operations. In support of this objective, the company has implemented a comprehensive Code of Ethics and Professional Conduct, along with robust policies such as the Whistle blowing Policy and the Anti-Bribery and Anti-Corruption Policy. These frameworks require all employees to act with integrity, transparency, and accountability, and to report any suspected misconduct or unethical behavior through the established whistle blowing channels.

The Committee ensured continued compliance with the company's Code of Ethics and maintained oversight of corporate governance practices to uphold stakeholder trust. All necessary procedures were in place to conduct independent and impartial investigations into concerns raised through whistle blowing or identified by other means, ensuring appropriate action is taken where required.

## CONCLUSION

The Audit Committee is satisfied that the effectiveness of the organizational structure of the company and of the implementation of Company's accounting policies and operational controls provide reasonable assurance that the affairs of the company is managed in accordance with company

policies and that the company assets are properly accounted for and adequately safeguarded. The Committee is also satisfied that the Company and its subsidiaries are able to continue as a going concern.



**MANO RAJAKARIAR**

Chairman  
Audit Committee

22 July 2025

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

The Related Party Transactions Review Committee was established to advise the Board in relation to transactions with the related parties as defined by LKAS 24. The Committee also exercises oversight function on behalf of the Board in complying with the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka. The Committee has also adopted best practices as recommended by The Institute of Chartered Accountants of Sri Lanka.

## COMPOSITION

Composition of the Related Party Transactions Review Committee was restructured effective from 1st January 2025 as follows;

Names of the Directors	Directorship Status	Membership Status	Period
Mr. N D Gunaratne (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Chairman	
Mr. D S Weerakkody (Resigned w.e.f 31 December 2024)	Senior Independent Non-Executive Director	Member	1 April 2024 - 31 December 2024
Prof. K A M K Ranasinghe (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member	
Mr. M J S Rajakariar (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Chairman	
Mr. R P Pathirana (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Member	1 January 2025 - 31 March 2025
Mr. C V Kulatilaka (Appointed w.e.f 1 January 2025)	Senior Independent Non-Executive Director	Member	
Mr. D A R Fernando	Managing Director	Member	1 April 2024 - 31 March 2025

## MEETING ATTENDANCE

The Committee met on the following occasions to discuss matters relating to the financial year of which the members' attendance was as follows:

Name of Director	15.05.2024	08.08.2024	13.11.2024	13.02.2025
Mr. N D Gunaratne	√	√	√	n/a
Prof K A M K Ranasinghe	√	√	√	n/a
Mr. D S Weerakkody	√	√	√	n/a
Mr. M J S Rajakariar	n/a	n/a	n/a	√
Mr. R P Pathirana	n/a	n/a	n/a	√
Mr. C V Kulatilaka	n/a	n/a	n/a	√
Mr. D A R Fernando	√	√	√	√

The Managing Director and the General Manager - Finance and other relevant senior management attended meetings upon invitation to provide necessary clarifications.

## ROLE OF THE COMMITTEE

- » Review in advance all proposed Related Party Transactions of the Company except those explicitly exempted by the Code.
- » Ensuring such transactions are at arm's length and on normal commercial terms.
- » Ensuring that RPT's are in the best interest of the company and its shareholders.
- » Determine whether related party transactions that are to be entered into by the Company require the approval of the Board or shareholders of the Company.
- » Ensure that no Director of the Company shall participate in any discussion of a proposed related party transaction for which he or she is a related party, unless such a Director is requested to do so by the Committee for the express purpose of providing information concerning the related party transaction to the Committee.

# RELATED PARTY TRANSACTIONS REVIEW COMMITTEE REPORT

- » Establishing guidelines to be followed by the Management in the event related party transactions are ongoing. Thereafter, the Committee, on an annual basis, shall review and assess ongoing relationships and transactions with the related party to determine whether they are in compliance with the Committee's guidelines and that the related party transaction remains appropriate.

## POLICIES AND PROCEDURES

As per the existing practice, all related party transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. Such transactions are also disclosed to stakeholders through the Company's Financial Statements. In case of frequent/repetitive/regular transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval.

## PERFORMANCE REVIEWED DURING THE YEAR

During the year, the Committee reviewed the related party transactions and their compliances of the Company and communicated same to the Board. The Committee in its review process recognized the adequacy of the content and the quality of the information forwarded to its members by the management. The committee confirmed that all RPT's were conducted at arm's length and on terms no less favourable than those available to unrelated parties.

## POLICY AND TERMS OF REFERENCE

The committee has developed a comprehensive policy and terms of reference approved by the board, setting out the procedure to identify the related parties and the process of reporting the transactions with related parties to the committee on a quarterly basis. The policy outlines the composition of the committee, meeting procedures and the responsibilities of the committee. The policy guides the committee and makes them responsible for ensuring that no director or major shareholder takes advantage of their position to the detriment of the minority shareholders' interests.

## DISCLOSURES

- » Non-Recurrent Related Party Transactions

A declaration of Recurrent Related Party Transactions during the year is given in below table;

Name of the Related Party	Harbour Village (Private) Limited
Relationship	66.67% owned subsidiary
Value of the Related Party Transaction(s) entered into during the Financial year	LKR 6,500,000,000
Value of the Related Party Transaction(s) as a % of Equity and as a % of Total Assets	17%
Terms and conditions of the Related Party Transaction(s)	Providing a corporate guarantee in support of a credit facility to Sampath Bank
The Rationale for entering into the Transaction(s)	To secure credit facilities extended to a subsidiary

- » Recurrent Related Party Transactions

There were no any recurrent related party transactions which required additional disclosures in the 2024/25 Annual Report under Colombo Stock Exchange Listing Rule 9.14.8.

## SUPPORT TO THE COMMITTEE

The committee was supported by the Company Secretary, Managing Director and General Manager Finance, along with the head of internal audit and other relevant members of senior management. The committee was provided with unrestricted access to records management and external parties when necessary.



## MANO RAJAKARIAR

Chairman  
Related Party Transaction Review  
Committee

22 July 2025

## REMUNERATION COMMITTEE REPORT

Remuneration Committee was established to ensure compliance with the requirements of Section 9.12 of the Listing Rules of the Colombo Stock Exchange and the Code of Best Practices on Corporate Governance issued jointly by the Institute of Chartered Accountants of Sri Lanka and the Securities Exchange Commission of Sri Lanka.

### COMPOSITION

Composition of the Remuneration Committee was restructured effective from 1 January 2025 as follows;

Names of the Directors	Directorship Status	Membership Status	Period
Mr. D S Weerakkody (Resigned w.e.f 31 December 2024)	Senior Independent Non-Executive Director	Chairman	1 April 2024 - 31 December 2024
Prof. K A M K Ranasinghe (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member	
Mr. N D Gunaratne (Resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member	
Mr. S D Perera (Stepped down from the committee on 31 December 2024)	Non-Executive Director	Member	
Mr. R P Pathirana (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Chairman	1 January 2025 - 31 March 2025
Mr. C V Kulatilaka (Appointed w.e.f 1 January 2025)	Senior Independent Non-Executive Director	Member	
Mr. M J S Rajakariar (Appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Member	
Mr. Shamal J S Perera (Appointed w.e.f 1 January 2025)	Non-Executive Director	Member	

The Committee's composition met the requirements of the Rule 9.12.6 of Listing Rules of the Colombo Stock Exchange. The brief profiles of the existing members of the Committee are given on pages 170 to 171 of the Annual Report.

### COMMITTEE MEETING

The attendance at the Remuneration Committee meetings held during the year under review was as follows;

Name of Director	15.05.2024	13.11.2024
Mr. D S Weerakkody	√	√
Prof. K A M K Ranasinghe	√	√
Mr. N D Gunaratne	√	√
Mr. S D Perera	√	√

# REMUNERATION COMMITTEE REPORT

## ROLE OF THE COMMITTEE

The role of the Remuneration Committee is to set up the remuneration policy for the Management and make recommendations to the Board on recruitment, remuneration and performance evaluation of the Management including Executive Directors of the Company.

Responsibilities include:

- » Preparation of the remuneration framework
- » Review compensation surveys
- » Recommend to the Board on the remuneration payable to the Executive Directors and the Management
- » The evaluation of performance of the Management
- » Preparation of performance based remuneration plans including performance incentives
- » Making amendments to the remuneration policy

The Committee is authorized by the Board to seek appropriate professional advice inside and outside the Company as and when it considers necessary.

## TERMS OF REFERENCE

The Remuneration Committee has its terms of reference, dealing with its authority and duties, which is established for the purpose of assisting the Board in fulfilling their oversight responsibilities that include setting up the remuneration policy and making recommendations to the Board on recruitment, remuneration and performance evaluation.

## REMUNERATION POLICY

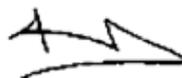
The Remuneration Committee of the Board approved the remuneration philosophy, strategy, and the rewards policy of the Company. The Company's remuneration philosophy is anchored on the total reward approach. The remuneration strategy's main aim is to enable the Company to develop, motivate, maintain and retain an internal talent pipeline, and when necessary attract the requisite skills from the labour market to support the company's growth strategy. The remuneration policy codifies the remuneration principles, processes, practices and procedures to give effect to the company's remuneration philosophy and strategy. The pay mix may comprise a combination of guaranteed pay (fixed pay and bonus) and variable pay (short-term incentives) depending on the level in the organizational hierarchy and performance.

## ACTIVITIES OF THE COMPANY

- » Reviewed market compensation surveys and benchmarking data to ensure the Company's remuneration remains competitive and aligned with industry standards.
- » Recommended to the Board the remuneration packages payable to Executive Directors and senior management, in line with Company performance and strategic priorities.
- » Reviewed the Remuneration Policy to ensure continued relevance, fairness, and alignment with the Company's remuneration philosophy and regulatory expectations.

## DISCLOSURES

The aggregate remuneration of the Executive and Non-Executive Directors for the Financial Year is disclosed under key management personnel compensation in note 29 to the Financial Statements given in page 316.



**RANIL PATHIRANA**

Chairman  
Remuneration Committee

22 July 2025

# INVESTMENT & SUBSIDIARY PERFORMANCE MONITORING COMMITTEE REPORT

## PURPOSE OF THE COMMITTEE

The Investment and Subsidiary Performance Monitoring Committee was established as a Board subcommittee to provide the Executive Directors and the Independent Non-Executive Directors with an opportunity to discuss prospective investments and performance monitoring of subsidiaries prior to discussion of relevant matters at Board meetings.

## ROLE OF THE COMMITTEE

- » Making an assessment and notifying their recommendations to the Board on major new investments in subsidiaries, associates, joint ventures and capital investments in the parent Company.
- » Making an assessment and notifying their recommendations to the Board on divestment of subsidiaries in the parent Company.
- » Monitoring the budgets of subsidiaries, associates and joint ventures which are approved by relevant responsible person/ persons such as the Board of Directors, Managing Director or the nominated Head of the Business Unit and ratified by the Chairman or Managing Director.
- » Reviewing the progress of subsidiary companies and sub subsidiaries.
- » Advising the Management on what action should be taken for non-compliances noticed in investments.

## COMPOSITION

Composition of the Investment and Subsidiary Performance Monitoring Committee was restructured effective from 1st January 2025 as follows;

Names of the Directors	Directorship Status	Membership Status	Period
Mr. N D Gunaratne (resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Chairman	
Prof. K A M K Ranasinghe (resigned w.e.f 31 December 2024)	Independent Non-Executive Director	Member	1 April 2024 - 31 December 2024
Mr. D S Weerakkody (resigned w.e.f 31 December 2024)	Senior Independent Non-Executive Director	Member	
Mr. C V Kulatilaka (appointed w.e.f 1 January 2025)	Senior Independent Non-Executive Director	Chairman	
Mr. M J S Rajakariar (appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Member	1 January 2025 - 31 March 2025
Mr. R P Pathirana (appointed w.e.f 1 January 2025)	Independent Non-Executive Director	Member	
Mr. Shamal J S Perera	Non-Executive Director	Member	
Mr. J C Joshua	Executive Director	Member	1 April 2024 - 31 March 2025
Mr. D A R Fernando	Executive Director	Member	

The brief profiles of the existing members of the Committee are given on pages 170 to 171 of the Annual Report.

# INVESTMENT & SUBSIDIARY PERFORMANCE MONITORING COMMITTEE REPORT

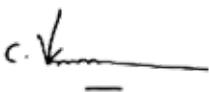
## MEETING ATTENDANCE

The Committee met on the following occasions to discuss matters relating to the financial year of which the members' attendance was as follows:

Name of Director	08.05.2024	01.08.2024	06.11.2024	06.02.2025
Mr. N D Gunaratne	√	√	√	n/a
Mr. D S Weerakkody	√	√	√	n/a
Prof. K A M K Ranasinghe	√	√	√	n/a
Mr. C V Kulatilaka	n/a	n/a	n/a	√
Mr. M J S Rajakariar	n/a	n/a	n/a	√
Mr. R P Pathirana	n/a	n/a	n/a	√
Mr. J C Joshua	√	√	√	√
Mr. D A R Fernando	√	√	√	√
Mr. Shamal J S Perera	√	√	x	√

## SUMMARY OF ACTIVITIES

During the year, the Committee comprehensively reviewed the new investment/divestment decisions of the Company and monitored budgets of subsidiaries/associates/joint ventures of the Company. The Committee decisions and discussions of the meetings were recorded and forwarded to the Board of Directors of the Company for further action.



**VAJIRA KULATILAKA**

Chairman  
Investment and Subsidiary Performance Monitoring Committee

22 July 2025

# MANAGING RISKS AND OPPORTUNITIES

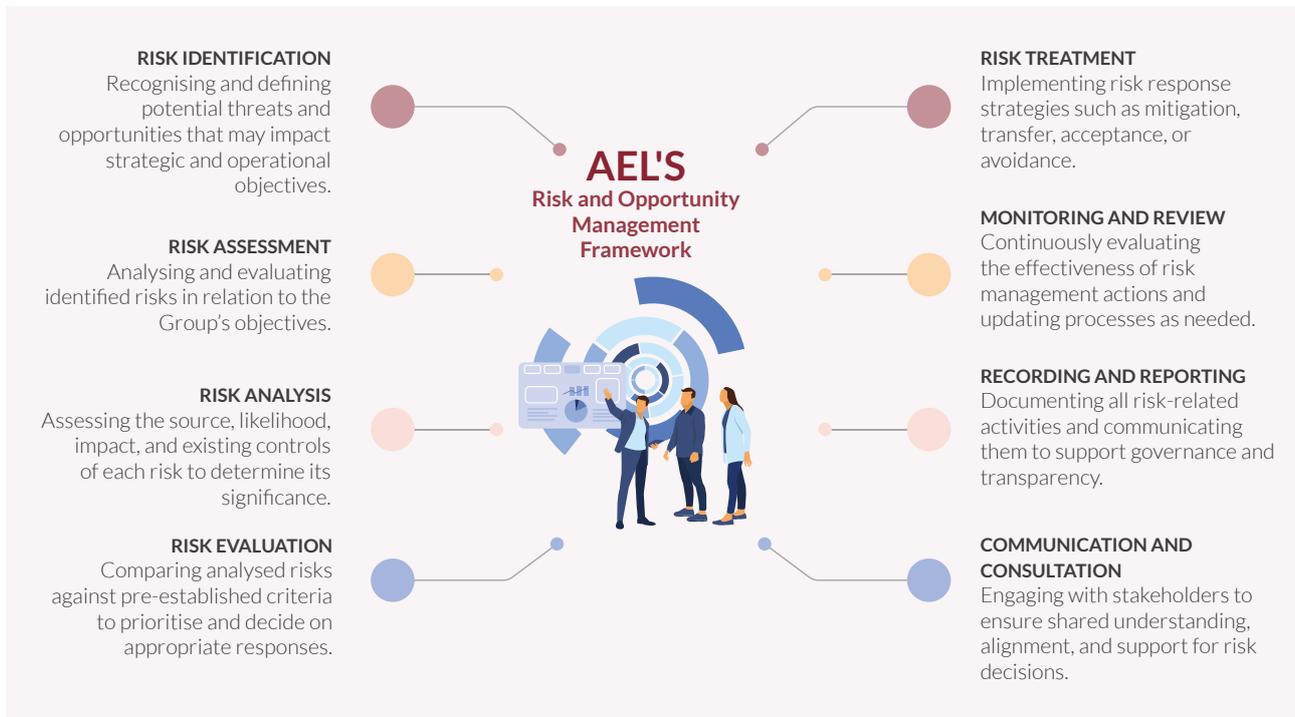
## AEL'S APPROACH TO MANAGING RISKS AND OPPORTUNITIES

Being a diversified infrastructure and engineering Group, Access Engineering PLC (AEL) operates in sectors highly influenced by economic cycles, policy changes, supply chain fluctuations, and technological disruption, where risks can significantly impact project timelines, profitability, and reputation. Likewise, opportunities must also be proactively identified and acted upon to stay competitive and achieve long-term growth.

Recognising this, AEL adopts an integrated and forward-looking approach to ensure that both threats and opportunities are identified, assessed, to not only mitigate adverse outcomes but also to unlock new areas of growth, innovation, and operational improvement.

### Key objectives of AEL's Risk and Opportunity management framework are;

- » To minimise risk of not meeting budget expectations
- » To comply with the Regulatory Requirements
- » To maintain a sound system of internal controls to safeguard shareholders' wealth and Company assets
- » To ensure faster response to market opportunities by maintaining a 'sufficient' working capital position at all times
- » To move towards diverse business segments those are synergised with our core business in order to manage our exposure to cyclical downturns in the core business due to external factors
- » Continue to be the preferred employer, successful in motivating, developing, retaining and attracting the best of human capital
- » To keep pace with the current and new technological developments to safeguard against obsolescence and disruptions to our business
- » To achieve cost savings through better management of resources
- » To encourage employees to come up with ideas of innovative solutions and new ventures
- » To identify and mitigate risks arising from climate change and environmental impacts
- » To ensure compliance with environmental regulations and sustainability standards
- » To support long-term value creation through sustainable growth, risk reduction, and improved corporate reputation.



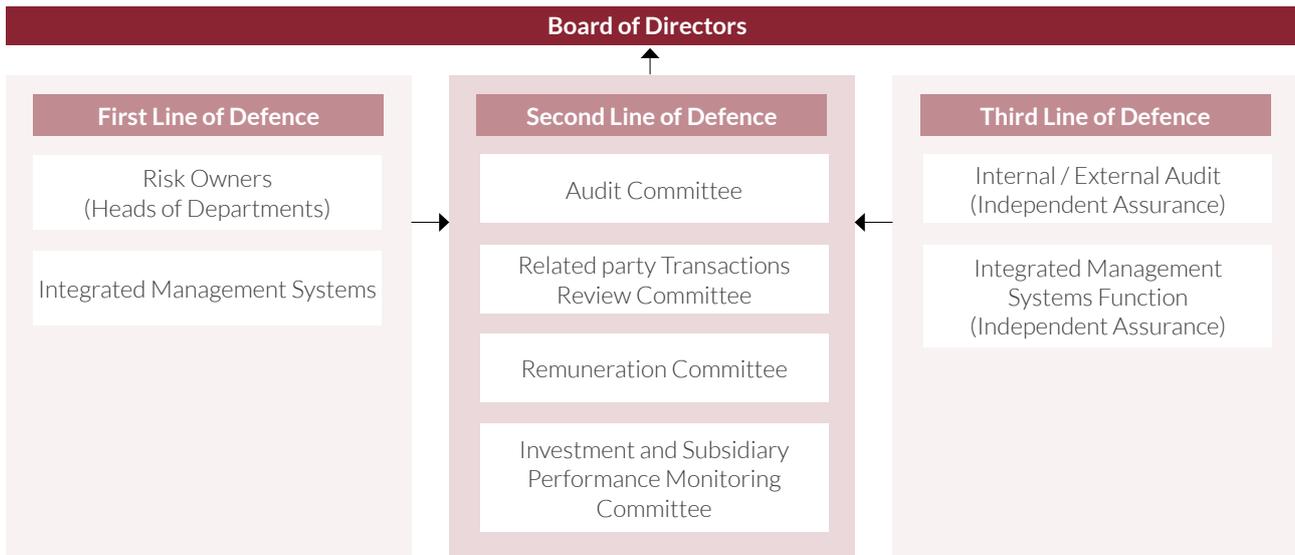
# MANAGING RISKS AND OPPORTUNITIES

## RISK GOVERNANCE

The Board, as the highest governing authority, provides oversight institutionalising a sound risk management framework and internal control system to safeguard the shareholders' investments and company assets. The Board's commitment to risk governance is reflected through the proactive engagement in risk oversight, policy formulation, and continuous evaluation of internal controls to safeguard the integrity of the risk management framework.

The Board has also established the Three Lines of Defence mechanism, a widely recognised model that clearly delineates roles and responsibilities across the organisation to promote accountability and ownership for risk.

### AEL's Risk Governance Structure



### FIRST LINE OF DEFENCE

The first line of defence is represented by the risk owners, namely, operational managers and business unit heads who are directly responsible for controlling risks at the ground level by ensuring established policies, procedures, quality controls, and industry best practices are embedded in daily processes and that risks are addressed promptly as part of routine decision-making. Risk owners also play a key role in identifying, managing and reporting risks within their areas of work.

### INTEGRATED MANAGEMENT SYSTEMS

AEL's integrated management systems is part of the first line of defence. The system consists of the ISO 9001:2015 Quality Management System (QMS), the ISO 14001:2015 Environmental Management System (EMS) and the ISO 45001:2018 Occupational Health and Safety Management System (OHSAS), implemented company-wide across all Business Units.

### SECOND LINE OF DEFENCE

The Second line of defence serves as the main liaison advising the first line of defence in the implementation of risk controls. The Second line of defence provides oversight and support by developing risk management frameworks, setting policies, conducting compliance reviews, and monitoring adherence to regulations and internal controls. They are also tasked with escalating critical risk issues to the Board. As per AEL's risk governance structure, the Second line of defence comprises;

### THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the Company's Financial Statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent

external audit, compliance with legal and regulatory requirements, and policies and ethics established by the Company.

### RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

The objective of the Committee is to ensure that the interests of shareholders are taken into account when entering into related party transactions and to enhance corporate transparency and promote fair transactions between Company, its Subsidiaries and other related parties. The Committee also performs the oversight function on behalf of the Board in complying with the Listing Rules of the Colombo Stock Exchange and with the Code of Best Practices on Related Party Transactions issued by the Securities and Exchange Commission of Sri Lanka.

### REMUNERATION COMMITTEE

The Remuneration Committee assists the Board to discharge its responsibility by overseeing remuneration policies and practices of the Company. The Committee's main roles are:

- » To review and make recommendations to the Board in relation to the individual remuneration levels of Directors (Executive), Senior Executives, other Executives and other persons whose activities in the Committee's opinion affect the financial soundness of the Company
- » To oversee general remuneration practices across the Company and make appropriate recommendations.

### INVESTMENT AND SUBSIDIARY PERFORMANCE MONITORING COMMITTEE

The purpose of the Committee is to evaluate prospective investments and to monitor the performance of Subsidiaries/ Associates prior to discussion of the relevant matters at Board Meetings.

### THIRD LINE OF DEFENCE

The purpose of the third line of defence is to provide independent assurance to the Board regarding the efficacy of the Company's risk management framework. The third line of defence consists of:

#### INTERNAL AUDIT FUNCTION

The Internal Audit Function focuses on providing an independent oversight to the Board and the Audit Committee on the processes and controls that help to mitigate major risks. All Business Units are regularly audited by the Management System' internal audit teams whilst bi-annual audits are carried out by the Management System external auditor Det Norske Veritas (DNV GL) as part of the management system compliance process under the ISO standards.

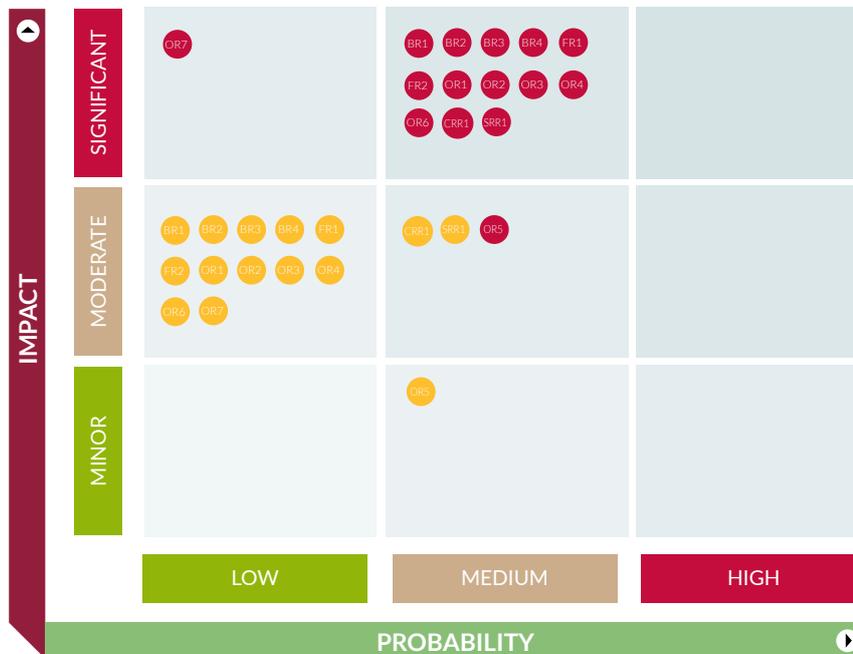
In support this framework, AEL established an ESG Committee during the year under review. The committee's operations are scheduled to commence from the next financial year.

### RISK AWARENESS CULTURE

AEL expects all employees, regardless of their role or seniority to take responsibility for identifying and managing risks within their areas of work. Employees are encouraged to remain vigilant, apply sound judgement, and take appropriate action in alignment with both operational objectives and the company's ethical standards.

Premised on this belief, AEL promotes a strong risk-aware culture across the organisation through regular training to instill the understanding that risk management is not the sole responsibility of a specific department but a shared obligation that contributes directly to the Company's resilience and long-term success. Training initiatives aim to equip staff with the necessary tools, knowledge, and mindset to ensure effective risk management becomes second nature across all tiers of the organisation.

AEL Risk Matrix



● Risk positioning before mitigation action    ● Risk positioning after mitigation action

## MANAGING RISKS AND OPPORTUNITIES

Risk Category		Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>BR1</b>	Compliance Risks	<p>Risks arising from the failure to abide by any law or regulatory requirements applicable to the Company resulting in sanctions by regulatory bodies, penalties and reputational damage.</p> <ul style="list-style-type: none"> <li>» Impact on continuity and growth of the company operations</li> <li>» Reduction in profitability due to legal fees and penalty</li> <li>» Reputational damage</li> </ul>	<p><b>Unchanged</b></p> <p>During 2024/25 compliance risk remained unchanged.</p> <p>AEL adhered to its risk mitigation strategies in order to maintain a high standard of regulatory compliance.</p>	<p><b>Unchanged</b></p>	<ul style="list-style-type: none"> <li>» Reviewed compliance with regulatory requirements on a quarterly basis</li> <li>» Conducted periodical risk assessments on the extent of compliance with the statutory order to maintain a high requirements</li> <li>» Continuously review changes in regulations and take necessary action to ensure adherence</li> <li>» Introduced the new policies for comply with regulatory and compliance requirements.</li> <li>» Seek expert advice as needed</li> </ul>
<b>BR2</b>	Competition Risk	<p>Risks arising from competitive forces resulting in loss of growth and erosion of margins.</p> <ul style="list-style-type: none"> <li>» Impact on total revenue growth</li> <li>» Margin erosion</li> <li>» Adverse impact on EPS</li> </ul>	<p><b>Increased</b></p> <p>Competition risk decreased during 2024/25 compared to 2023/24, driven by an improved volume of work opportunities within the industry.</p>	<p><b>Decreased</b></p>	<ul style="list-style-type: none"> <li>» Ensured high standards of quality in finished products</li> <li>» Increased efficiency through adaption of best practices available within the Industry</li> <li>» Diversified business operations to reduce the impact of competition</li> <li>» Utilising assets more efficiently</li> <li>» Adherence to international standards to compete globally</li> <li>» Partnerships with global companies to expand reach and capabilities</li> </ul>

Risk Category		Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>BR3</b>	Reputation Risk	Risks arising from an event or incident that could damage the image of the company	<ul style="list-style-type: none"> <li>» Impact on total revenue growth</li> <li>» Margin erosion</li> <li>» Adverse impact on EPS</li> <li>» Unfavourable stakeholder perceptions regarding the company</li> </ul>	<p><b>Unchanged</b>      <b>Unchanged</b></p> <p>During 2024/25 reputation risk remained unchanged due to the company policies, procedures, best practices and compliances that were in place.</p>	<ul style="list-style-type: none"> <li>» Continuous use of a budgetary process and a budgetary control mechanism to ensure that company performance is in line with its targets</li> <li>» Adapt stringent quality assurance policies with regard to goods/materials bought from third parties as well as the inputs, processes and outputs of own products</li> <li>» Ensure effective communication with various stakeholders including employees, customers, suppliers, other stakeholders and the community at large</li> <li>» Ensure compliance with relevant laws and regulations</li> <li>» Strictly monitor the practice of The code of ethics of the company by employees without any exception</li> <li>» Contractors are systematically screened before on-boarding them and vigorously monitored during the engagement process to offset any delays or defects</li> <li>» The internal technical team monitor contracts to make sure that they were delivered in a timely manner</li> <li>» The senior management consistently monitors contractors to ensure they follow proper operational and working practices</li> </ul>
<b>BR4</b>	Political Risk	Risks arising from political changes or instability in the country	<ul style="list-style-type: none"> <li>» Continuation of the suspension of funding for certain infrastructure development projects by multilateral and bilateral funding agencies and local banks</li> <li>» New regulations and fiscal policies intended to stimulate economic growth might raise costs or limit market access</li> </ul>	<p><b>Decreased</b>      <b>Decreased</b></p> <p>During 2024/25, political risk continued to ease, driven by sustained improvements in the country's economic and social environment. The political landscape remained stable.</p>	<ul style="list-style-type: none"> <li>» Impact of the political variables was assessed during the periodic Corporate Management meetings</li> <li>» Regularly conducted risk assessments to identify potential impacts of new policies and developed contingency plans</li> <li>» Company successfully secured new projects, further strengthening its presence in the industry.</li> </ul>

## MANAGING RISKS AND OPPORTUNITIES

Risk Category		Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>FR1</b>	Liquidity Risk	Risks inadequate liquidity owing to unprofitable investments made or the inability to generate a reasonable return on business ventures	<ul style="list-style-type: none"> <li>» Increased cost of funding on the Short term loan</li> <li>» Increasing level of debtors negatively affecting cash flows</li> <li>» Unavailability of sufficient working capital, negatively affecting the smooth functioning of day-to-day operations of the Company</li> <li>» Impact on profitability</li> </ul>	<p><b>Decreased</b></p> <p>During 2024/25 Liquidity Risk further decreased due to the gradual reduction of interest cost associated with loan financing and availability of liquidity and stables exchange rate environment.</p>	<p><b>Decreased</b></p> <ul style="list-style-type: none"> <li>» Restructured the loan portfolio to reduce future annual finance cost by converting Short Term loan Facilities to Long Term with a Cap Rate.</li> <li>» Continuously monitor long outstanding receivables and expedited the collection process</li> <li>» Implement the use of management systems / platforms that provides crucial information to simplify and diminish potential liquidity risk and improve Cash flow position.</li> <li>» Charged interest for long outstanding receivables</li> <li>» Optimize inventory levels and supplier payment cycles to support company cash flow.</li> <li>» Encouraged cash sales</li> <li>» Maintain readily accessible Working Capital loans and Over Drafts</li> <li>» Structure project contracts with favorable payment schedules such as mobilization advances and milestone-based billings.</li> </ul>
<b>FR2</b>	Foreign Currency risk	Risks arising from foreign currency shortages and foreign currency loss	<ul style="list-style-type: none"> <li>» Increasing construction and construction related material prices with LKR depreciation</li> <li>» Decrease Value of Cash Inflows receive in USD when convert in to LKR terms.</li> <li>» Availability of materials, due to the price adjustment of imported material prices with the availability of foreign currency and import relaxation</li> </ul>	<p><b>Decreased</b></p> <p>During 2024/25 foreign exchange risk decreased due to the appreciation of the Sri Lankan Rupee and availability of foreign Currency.</p>	<p><b>Decreased</b></p> <ul style="list-style-type: none"> <li>» Maintained a healthy balance in the revenue mix between local and foreign currency.</li> <li>» Availability of USD Loan facilities.</li> <li>» Matching strategy of USD Income with Imports</li> </ul>

Risk Category			Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>OR1</b>	Business Disruption Risk	Risks arising from inadequate or failed internal processes, people and systems or from external events	<ul style="list-style-type: none"> <li>» Delays in project deliverables</li> <li>» Operation cost overruns against budget</li> <li>» Unsatisfactory product performance</li> <li>» Quality specification requirement</li> <li>» Loss of profits, credibility and reputation</li> <li>» Depleting stocks</li> <li>» Missing regular maintenance of the machineries and equipment</li> </ul>	<b>Decreased</b>	<b>Decreased</b>	<ul style="list-style-type: none"> <li>» Conducted frequent progress reviews for business units to monitor work progress and budgetary controls and accordingly took precautionary actions when and where necessary</li> <li>» Regular monitoring of company assets utilisation</li> <li>» The Internal Audit scope was refocused to place greater emphasis on reviewing the adherence of operational processes to the established Standard Operating Procedures (SOPs).</li> <li>» Compliance with Management System Standards (ISO 9001, ISO 14001, ISO 45001)</li> </ul>
<b>OR2</b>	Quality, Environment, Health and Safety Performance Risk	Risks arising from potential degradation in the overall product quality, environment performance and employee health and safety	<ul style="list-style-type: none"> <li>» Impact on achieving continual growth of the Company</li> <li>» Damage stakeholder relationships</li> <li>» Impairing Company reputation</li> </ul>	<b>Decreased</b>	<b>Unchanged</b>	<ul style="list-style-type: none"> <li>» Ongoing improvements in systems and processes in line with international, accreditations: ISO 9001, ISO 14001, and ISO 45001</li> <li>» Management meetings to evaluate performance</li> <li>» Educating employees on correct practices of management system process</li> <li>» Internal audit function monitors the proper implementation of safety standards with the support of Safety Officers attached to each project</li> <li>» Continuous monitoring of interested party complaints</li> </ul>

## MANAGING RISKS AND OPPORTUNITIES

Risk Category		Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>OR3</b>	Procurement	Risks arising from material and service price variations and Non availability of key material	<ul style="list-style-type: none"> <li>» Reducing underlying operating margin</li> <li>» Inability to meet the completion targets</li> <li>» Potential delays expected in receiving materials and services leading to an overall decline in performances across various business activities</li> <li>» Potential risk of receiving materials / machineries that do not meet technical specifications</li> </ul>	<p><b>Unchanged</b>      <b>Decreased</b></p> <p>During 2024/25, Procurement risk decreased due to the gradual easing of import restriction, improved credit terms from suppliers, better availability of key resources, and relative stability in foreign exchange rate</p>	<ul style="list-style-type: none"> <li>» Utilized the Central procurement system through the "SAP Ariba" e-procurement platform.</li> <li>» Established relationships with many global and local suppliers for raw materials and commodities in order to reduce over-dependency on a single supplier/brand</li> <li>» Negotiating with the suppliers for favorable payment terms</li> <li>» Conduct regular supplier evaluations to assess their performance and services</li> <li>» Consistently analyse market conditions and existing vendors to evaluate and strategize a path whereby, materials/ services were supplied without any disruptions</li> <li>» Work with vendors to reduce lead time</li> <li>» Frequently communicate with suppliers to assess potential interruptions and devised a strategy to reduce delays or downtimes. A workshop was conducted during the year to support this objective.</li> <li>» Follow up with the local and overseas parties to strategise a course of action in order to reduce the lead times</li> <li>» Consider Ex-works payment / FOB payment terms instead of CIF terms to manage freight cost and control the duration of the shipment through local forwarders</li> </ul>
<b>OR4</b>	Technology Risk	Risks arising from issues or concerns associated with the technologies involved in the execution methods and operational technology of the project	<ul style="list-style-type: none"> <li>» Failure to compete in the market as a result of technological obsolescence in the technology and processes used for construction</li> <li>» Impact on regulatory reporting deadlines of SEC and CSE</li> <li>» Reduce underlying operating margin due to cost for time and data recovery</li> <li>» Loss of reputation due to loss of credibility</li> </ul>	<p><b>Unchanged</b>      <b>Unchanged</b></p> <p>During 2024/25 technological Risk remained unchanged as the technological risk associated with the construction industry does not significantly impact the Company.</p>	<ul style="list-style-type: none"> <li>» Use of innovative construction technology for greater operational efficiency</li> <li>» Explore sustainable construction technologies to reduce the cost of construction and to maximize the use of scarce construction material and resources</li> </ul>

Risk Category		Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>OR5</b>	Human Capital and Labour Risk	Risks arising from the loss of key management resulting in a lack of necessary expertise or lack of continuity in executing strategy	<ul style="list-style-type: none"> <li>» Loss of growth opportunity and career advancement due to industry stagnation</li> <li>» Shortage of skilled and experienced labour can lead to reduced productivity</li> </ul>	<p><b>Decreased</b>      <b>Decreased</b></p> <p>During 2024/25, Human capital risk Decreased.</p> <p>During the year employee turnover ratio was comparatively lower than the previous year and training and development hours also increased compared to 2023/24.</p>	<ul style="list-style-type: none"> <li>» Developed an operational plan to optimise available resources including staff</li> <li>» Increased training and awareness for staff</li> <li>» Granted financial and non-financial benefits for all employees</li> <li>» Increased the number of meetings pertaining to employee relations and grievances handling</li> </ul>
<b>OR6</b>	Fraud Risk	Risks arising from weaknesses in the internal controls which could result in financial losses	<ul style="list-style-type: none"> <li>» Loss reputation</li> <li>» Decrease in operating profitability</li> <li>» Risk of business continuity</li> </ul>	<p><b>Unchanged</b>      <b>Unchanged</b></p> <p>During 2024/25 Fraud risk remained unchanged due to various administrative and internal controls that were in place to ensure that the risk associated with frauds are kept in check.</p>	<ul style="list-style-type: none"> <li>» Conduct regular internal audits in areas, which were susceptible to the occurrence of fraud</li> <li>» Authority and approval limits implemented for all the functions of the Company, making the employees accountable for their actions</li> <li>» Ensure appropriate segregation of duties</li> <li>» Employees encouraged to report any genuine concerns regarding fraud and malpractice</li> <li>» Use of whistle blowing policy</li> <li>» Promote strong ethical working practices among employees</li> <li>» Conduct a thorough background check before recruiting an employee whereby, a potential fraud could be mitigated</li> </ul>

## MANAGING RISKS AND OPPORTUNITIES

Risk Category		Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>OR7</b>	IT Related Risk	<p>Risks arising from breakdowns and failures in information systems and the use of obsolete systems</p> <ul style="list-style-type: none"> <li>» Reduce underlying operating margin due to cost for time and data recovery</li> <li>» Impact on regulatory reporting deadlines of SEC and CSE</li> <li>» Loss of reputation due to loss of credibility</li> </ul>	<p><b>Unchanged</b></p> <p>During 2024/25 IT related risk remained unchanged due to the continuous monitoring and maintaining of all relevant IT systems by the internal teams.</p>	<p><b>Unchanged</b></p>	<ul style="list-style-type: none"> <li>» Maintained a well-established IT governance structure</li> <li>» Maintained a proper "back up" system in order to overcome data loss</li> <li>» Use of password/access control policy</li> <li>» Incorporated necessary validation and verification functions at the information entry level</li> <li>» Carrying out Application Control Audits</li> <li>» Installed a Fire Protection system at the Server Rooms and maintained centralized UPS Rooms and install Smoke Detectors for the Server Rooms and UPS Rooms</li> <li>» Used various tools such as proxies, firewalls and administrative restrictions to allow for the organization to alleviate or decrease downtime and increase operational efficiency.</li> <li>» Carried out an organization-wide awareness on IT, cyber security and training staff on various ways of handling sensitive information.</li> <li>» Evaluated IT and cyber security risks and discussed with the management regarding the potential outcomes and created a course of action to minimize the risk.</li> <li>» Thoroughly evaluate and regulated external suppliers providing IT infrastructure/ services to ensure security and smoothness of operations</li> <li>» Continuously followed up compliance with the IT policy and reviewed same periodically.</li> <li>» Developed a central procurement system using the "SAP Ariba" e-procurement platform.</li> </ul>

Risk Category			Impact to AEL	2023/24	2024/25	Mitigation Strategies
<b>CRR1</b>	Extreme Weather Events	Operational Disruptions owing to extreme heat, floods, landslides etc.	» Higher costs resulting from the inability to achieve project deliverables owing to frequent business disruption	Not Reported	-	<ul style="list-style-type: none"> <li>» Avoid establishing new production facilities or worker accommodations in flood-prone areas to minimize exposure to climate-related risks and ensure operational continuity.</li> <li>» Use of Polymer modified bitumen (PMB) and Geo-composite layer beneath asphalt to protect against extreme heat and enhance road durability.</li> <li>» Use Geosynthetic products to protect landslide, especially in areas with steep or sharp land cuts</li> <li>» Store materials in sheltered or enclosed areas either on-site or during transportation, using sheds, warehouses, or tarpaulin covers.</li> <li>» Incorporating time extension clauses in project agreements</li> <li>» Use stress testing to evaluate company would perform under different climate change scenarios focusing on supply chain disruption, market volatility and operational resilience in project execution</li> <li>» Secure appropriate insurance coverage to mitigate the financial impact of climate-related risks, such as extreme weather events and natural disasters.</li> </ul>
<b>SRR1</b>	Material Sourcing Challenges	Limited availability or rising costs of natural materials (e.g., sand, gravel) due to environmental protection policies.	» Price volatility or scarcity of essential materials increases project input costs, affecting profitability and margins.	Not Reported	-	<ul style="list-style-type: none"> <li>» Implement soil improvement measures, such as the application of quarry dust, to enhance unsuitable soil for construction purposes.</li> <li>» Promotion of waste circularity</li> <li>» Use of alternative energy sources</li> <li>» Use of Thin Asphalt Surfacing (TAS)</li> </ul>

BR	Business Risks
FR	Financial Risks
OR	Operational Risks
CRR	Climate Related Risks
SRR	Sustainability Related Risks

# MANAGING RISKS AND OPPORTUNITIES

MANAGING OPPORTUNITIES		AEL's Management Strategies		
		Short Term	Medium Term	Long Term
Sustainability Related Opportunities (SRO)	Potential strategic, operational, and financial benefits that a company can gain by proactively addressing environmental, social, and governance (ESG) factors.	<ul style="list-style-type: none"> <li>» Identify climate- and ESG-related risks across existing projects and supply chains.</li> <li>» Initiate water- and energy-saving practices (e.g., LED lighting, water reuse, insulated equipment).</li> <li>» Train project teams and procurement staff on green building codes and sustainability standards (e.g. EDGE, LEED).</li> <li>» Install rooftop solar panels at selected offices or project sites.</li> <li>» Identify ongoing projects that can incorporate green elements (e.g., energy-efficient lighting, low-flow plumbing).</li> <li>» Partner with green material suppliers to ensure access to sustainable building materials.</li> </ul>	<ul style="list-style-type: none"> <li>» Align project planning and procurement with ESG criteria and climate resilience objectives.</li> <li>» Mainstream low-carbon materials, energy-efficient equipment, and waste reduction practices across all major sites.</li> <li>» Collaborate with organizations like the Business and Biodiversity Platform for ecosystem conservation</li> <li>» Operationalize the ESG Committee and establish performance monitoring systems for climate-related KPIs</li> <li>» Target LEED/EDGE certifications for selected projects to meet international green building standards</li> </ul>	<ul style="list-style-type: none"> <li>» Commit to science-based targets for emissions reduction and carbon neutrality across operations.</li> <li>» Explore use of circular materials, smart infrastructure, and low-emission machinery.</li> <li>» Establish solar micro grids or hybrid energy systems at remote project sites for energy independence.</li> <li>» Leverage green bonds and sustainability-linked loans for funding long-term green infrastructure</li> <li>» Participate in national and regional ESG forums, publish sustainability case studies, and build AEL's reputation as a climate-resilient contractor.</li> </ul>
Climate-Related Opportunities (CRO)	Growing demand for energy efficient, low-carbon construction projects opens new markets and premium pricing opportunities	<ul style="list-style-type: none"> <li>» AEL promotes the use of recyclable and compostable materials in construction activities while actively minimizing waste sent to landfill, thereby reducing environmental impact and emissions.</li> <li>» Pilot eco-friendly design features in select construction projects (e.g., rooftop rainwater harvesting, solar panels, Smart Drain technology).</li> <li>» Strengthen internal control to identify and rectify design flaws early, ensuring compliance with industry best practices and climate resilience standards</li> <li>» Adopt tools such as BIM (Building Information Modelling), and reduce emissions</li> <li>» Use alternative building materials (e.g. low-carbon concrete, recycled steel).</li> </ul>	<ul style="list-style-type: none"> <li>» Invest in energy-efficient construction methods.</li> <li>» Proactively bid for green-certified buildings, smart cities, and renewable-linked infrastructure projects.</li> <li>» Increase tree planting programme</li> <li>» Expand Reforested Area</li> <li>» Committing to zero biodiversity loss</li> <li>» Implement biodiversity protection measures to strengthen climate resilience, reduce soil erosion, and stabilise land conditions at project sites.</li> <li>» Investments in renewable energy projects, including the installation of rooftop solar systems across all feasible company-owned locations, to reduce carbon emissions and enhance energy self-sufficiency.</li> </ul>	<ul style="list-style-type: none"> <li>» Invest in developing proprietary low-carbon technologies and building systems.</li> <li>» Collaborate with universities and global partners on sustainable engineering research</li> <li>» Offer carbon footprint data to clients as a value-added service</li> <li>» Diversify into sectors like eco-industrial parks, electric mobility infrastructure, and energy-efficient affordable housing</li> <li>» Collaborate with regulators and industry bodies to shape green building codes and construction sustainability benchmarks in Sri Lanka</li> <li>» Invest in R&amp;D to test, customise, and commercialise climate-smart technologies suited to Sri Lanka's infrastructure needs</li> </ul>

# INVESTOR RELATIONS

At Access Engineering PLC, our commitment to robust and transparent investor relations lies at the heart of our corporate philosophy. We recognize that open, timely and consistent communication with our shareholders is essential in fostering trust, ensuring accountability and building long term relationships.

Throughout the financial year, we have continued to prioritize the delivery of clear and accurate disclosures, enabling investors to make well informed decisions about their investment in our company. Our approach to investor relations is built on the pillars of transparency, effective stewardship by the board of directors and an unwavering focus on sustainable value creation.

In a dynamic and evolving capital market environment, our engagement with the investment community extends beyond routine reporting it embodies a two-way dialogue that aligns our strategic goals with shareholder expectations. We strive to maintain investor confidence by highlighting our financial performance, strategic direction, ESG commitments, and sound corporate governance practices.

As a listed entity, we are acutely aware of the responsibility entrusted to us by our shareholders. It is our duty to deliver sustainable returns whether through dividends, capital gains, or long-term growth by ensuring resilience, ethical leadership, and continuous performance. This section provides a comprehensive overview of our shareholding structure, market performance, and value delivered to our shareholders during the reporting period

## Performance of the AEL share

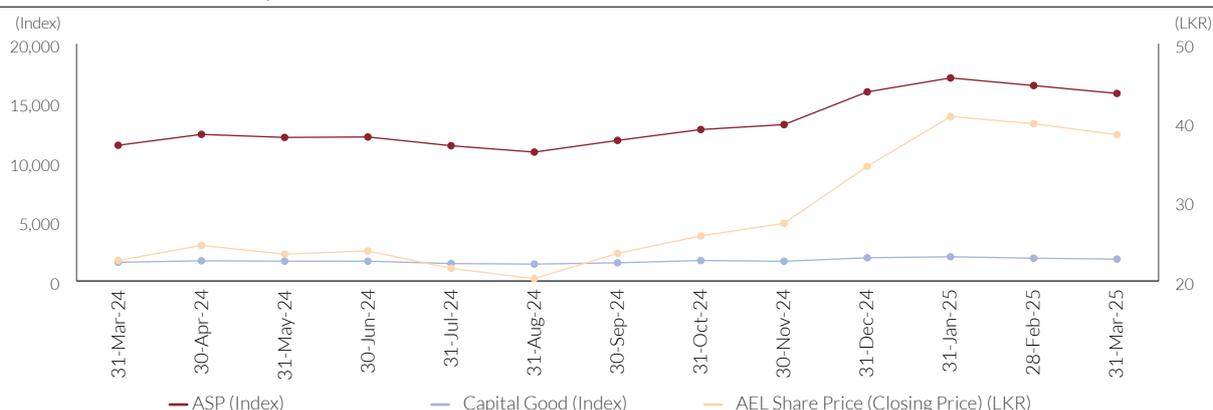
The capital goods sector outperformed the broader market index in 2024 (67.9% return vs 49.7% ASPI return). The company's share closed the year 70.4% higher compared to 2023/2024 at LKR 22.6. During the year the adjusted stock price reached a high of LKR 43.20 in February 2025 and a low of LKR 19.40 in September 2024. The stock recorded a total turnover of LKR 13.45 Bn during the year and the total number of trades was 65,221. A total of 440 Mn AEL shares were traded during the year.

## Structure of the Share Capital

The stated capital of Access Engineering PLC as at 31st March 2025 amounts to LKR 9,000,000,000 (LKR 9,000,000,000 - 2023/24) and is represented by 1,000,000,000 ordinary shares (1,000,000,000 -2023/2024). Each share grants the right to one vote for the resolutions that require their approval. There are no other categories of shares.

Company Information	
Security Type	Quoted Ordinary Shares
Listed Exchange	Colombo Stock Exchange (CSE) - Main Board
Featured stock indices	All Share Price Index (ASPI)
CSE Stock Symbol	AEL.N0000
GICS Industry Group	Capital Goods (SPCSECGP)
International Securities Identification Number (ISIN)	LK0409N00009

## AEL Share Performance in Comparison to Selected Local Indices



## INVESTOR RELATIONS

### Director's Shareholding

Name of Director	As at 31st March 2025		As at 31st March 2024	
	Shares	%	Shares	%
Mr. Sumal J S Perera	250,000,000	25.00	250,000,000	25.00
Mr. J C Joshua	102,000,000	10.20	102,000,000	10.20
Mr. S H S Mendis	30,150,000	3.015	24,300,000	2.43
Mr. D A R Fernando	30,150,000	3.015	24,300,000	2.43
Mr. S D Munasinghe	30,150,000	3.015	24,300,000	2.43
Mr. S D Perera	2,000,000	0.20	2,000,000	0.20
Mr. Shamal J S Perera	51,159,365	5.12	51,159,365	5.12
Prof. K A M K Ranasinghe*	-	-	100	0.00
D S Weerakkody*	-	-	60,597	-
N D Gunaratne*	-	-	-	-
Mr. C. V. Kulathilake**	-	-	N/A	N/A
Mr. M. J. S. Rajakariar**	-	-	N/A	N/A
Mr. R. P. Pathirana**	500	0.00	N/A	N/A
	495,609,865	49.56	478,120,062	47.81

\*N D Gunaratne, Prof. K A M K Ranasinghe and D S Weerakkody resigned as an Independent Director of the company w.e.f 31 December 2024.

\*\* C. V. Kulathilake was appointed as an Independent Director of the Company w.e.f 1st October 2024

\*\* M J S Rajakariar was appointed as an Independent Director of the company w.e.f 1 November 2024.

\*\* R P Pathirana was appointed as an Independent Director of the company w.e.f 31 December 2024.

### Shareholders of AEL

The Company's stated capital represents 9,806 ordinary shareholders as at 31st March 2025 (8,951 as at 31st March 2024).

### Shareholder Composition

Shareholdings	As at 31st March 2025			As at 31st March 2024		
	No of Share holders	No.of Shares	Share holding %	No of Share holders	No.of Shares	Share holding %
1-1,000	5,688	1,761,914	0.17	5,002	1,657,222	0.17
1,001-10,000	2,757	11,171,882	1.11	2,602	10,633,055	1.06
10,001-100,000	1,015	34,215,319	3.42	1,025	33,038,654	3.30
100,001-1,000,000	270	81,307,432	8.13	265	80,975,668	8.10
Over 1,000,000	76	871,543,453	87.15	57	873,695,401	87.37
Total	9,806	1,000,000,000	100.00	8,951	1,000,000,000	100.00

## Categories of Shareholders

Shareholdings	As at 31st March 2025			As at 31st March 2024		
	No of Share holders	No.of Shares	Share holding %	No of Share holders	No.of Shares	Share holding %
Local Individual	9,281	749,112,220	74.91	8,494	755,308,867	75.53
Local Institutions	466	237,527,534	23.75	393	235,586,616	23.56
Foreign Individual	50	2,454,692	0.25	55	3,640,897	0.36
Foreign Institutions	9	10,905,554	1.09	9	5,463,620	0.55
Total	9,806	1,000,000,000	100.00	8,951	1,000,000,000	100.00

## The Names and the Number of Shares held by the Twenty Largest Shareholders of the Company

Name	As at 31st March 2025		As at 31st March 2024	
	Shares	%	Shares	%
1 Mr. Sumal.J.S. Perera	250,000,000	25.00	250,000,000	25.00
2 Mr. J.C. Joshua	102,000,000	10.20	102,000,000	10.20
3 Mrs. R.M.N. Joshua	70,000,000	7.00	70,000,000	7.00
4 Mr. Shamal J.S. Perera	51,159,365	5.12	51,159,365	5.12
5 Mrs. D.R.S Malalasekera	45,000,000	4.50	45,000,000	4.50
6 Access International (Pvt) Limited	32,200,000	3.22	32,200,000	3.22
Pan Asia Banking Corporation PLC/Foresight Engineering Pvt Ltd	-	-	30,000,000	3.00
7 Mr. S.D. Munasinghe	30,150,000	3.02	24,300,000	2.43
8 Mr. D.A.R. Fernando	30,150,000	3.02	24,300,000	2.43
9 Mr. S.H.S. Mendis	30,150,000	3.02	24,300,000	2.43
10 J.B. Cocoshell (Pvt) Ltd	20,487,138	2.05	14,870,414	1.49
11 Employee's Provident Fund	20,478,289	2.05	20,478,289	2.05
Confab Steel (Private) Limited	-	-	13,593,281	1.36
Mercantile Investments and Finance PLC	-	-	13,121,925	1.31
12 Access Medical (Pvt) Ltd	13,000,000	1.30	13,000,000	1.30
13 Est.Of Lat M.J. Fernando	12,138,117	1.21	12,138,117	1.21
Mr. R.P.Weerasooriya	-	-	10,132,479	1.01
Hatton National Bank PLC - Capital Alliance Quantitative Equity Fund	-	-	7,073,231	0.71
14 Union Assurance Plc-Universal Life Fund	8,940,469	0.89	-	-
15 EMFI Capital Limited	7,941,344	0.79	-	-
16 Mr. J.W. Nanayakkara & Mrs. H.D.Nanayakkara	6,653,848	0.67	30,788,574	3.08
17 Invenco Capital Private Limited	6,387,363	0.64	6,138,518	0.61
18 DFCC Bank Plc A/C No.02	5,684,353	0.57	-	-
19 Seylan Bank Plc/Jn Lanka Holdings Company (Pvt) Ltd	5,603,941	0.56	-	-
20 Mr. D.C. Joshua	5,507,835	0.55	-	-
Sub Total	753,632,062	75.36	794,594,193	79.46
Others	246,397,938	24.64	205,405,807	20.54
Total	1,000,000,000	100.00	1,000,000,000	100.00

\* Comparative shareholdings as at 31st March 2024 of the twenty largest shareholders as at 31st March 2025

# INVESTOR RELATIONS

## MARKET CAPITALISATION

Market capitalisation of the Company has increased by 70% to LKR 38,500 Mn as at 31st March 2025. (LKR 22,600 Mn as at 31st March 2024).

### Public Shareholding, Shareholder Funds and Market Capitalisation

Description	As at 31st March 2025	As at 31st March 2024
Shareholder Funds (AEL Group) (LKR Bn)	40.1	35.5
Public Shareholding Percentage (%)	38	40
Number of Shareholders Representing above Percentage	9,806	8,932
Float Adjusted Market Capitalisation (LKR Bn)	14.7	9
AEL Market Capitalisation (LKR Bn)	38.5	22.6
CSE Market Capitalisation (LKR Bn)	5,606.37	4,534.65
AEL's market capitalisation as a percentage of CSE Market Capitalisation (%)	0.69	0.50

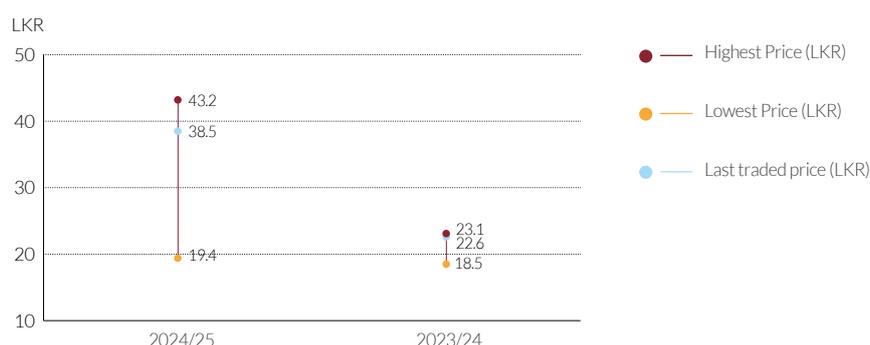
The Float adjusted market capitalisation of the Company falls under Option 1 of Rule 7.13.1.(i) (a) of the Listing Rules of the Colombo Stock Exchange and the Company has complied with the minimum public holding requirement applicable under the said option

### Share Prices for the Year

AEL's share price increased by 70% in 24/25 to close at LKR 38.50 indicating strong investor confidence and positive sentiment towards the Company.

Description	2024/25	Date	2023/24	Date
Highest Price (LKR)	43.20	18th February 2025	23.10	13th March 2024
Lowest Price (LKR)	19.40	23rd September 2024	18.50	8th February 2024
Closing (LKR)	38.50	28th March 2025	22.60	28th March 2024
Last traded price (LKR)	38.50	28th March 2025	22.60	28th March 2024

### Share Price Movement



AEL share price on the date of approval of the Annual Report, 22nd July 2025

**LKR 61.9**

### Share Trading Information

Description	2024/25	2023/24
Number of trades	65,221	23,367
Number of shares traded	440,788,849	132,460,317
Value of shares traded (LKR)	13,485	2,290
Number of Days Traded	238	238

## Dividend Payment

Description	Dividend Per Share (LKR)	Date Announced	Date of Payment
First Interim Dividend for 2024/25	1.00	6th December 2024	6th January 2025
Second Interim Dividend for 2024/25*	1.00	22nd May 2025	20th June 2025

\*A second interim dividend was declared on 22nd May 2025, after the financial year-end of 31st March 2025. This dividend has not been recognized as a liability in the financial statements for the year ended 31st March 2025 but is disclosed as a note to the financial statements.

## Value Creation for Shareholders

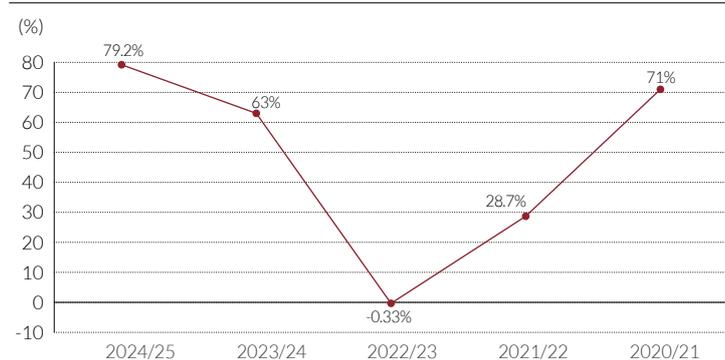
Description	2024/25		2023/24		2022/23		2021/22		2020/21	
	Group	Company								
Net Assets Per Share (LKR)	40.13	27.99	35.83	25.46	29.56	24.49	24.28	24.44	23.83	22.40
Earnings Per Share (LKR)	6.31	4.55	6.86	1.54	2.48	1.44	5.11	2.58	2.39	2.33
Dividend Per Share (LKR)	2.00	2.00	0.50	0.50	0.75	0.75	0.75	0.75	0.50	0.50
Dividend payout (%)	31.7	43.98	7	32	30	52	15	29	21	21
Return on Equity (%)	14.73	16.24	17.92	6.07	7.62	5.90	16.74	10.61	9.00	10.40

## Total Shareholder Return

The total shareholder return (TSR) for the AEL share was an impressive 79.2% over the period under review, reflecting the combined impact of capital appreciation and dividends received by shareholders during this time frame.

Description	2024/25	2023/24	2022/23	2021/22	2020/21
TSR	79.2%	63%	(0.33%)	(28.7%)	71%

## Shareholder Return



## Listed Debentures

There were no listed debentures as of 31st March 2025.

## Credit Ratings

There were no credit ratings taken as of 31st March 2025.

# GRI CONTENT INDEX

Statement of use	Access Engineering PLC has reported in accordance with the GRI Standards for the period 1st April 2024 to 31st March 2025
GRI 1 used	GRI 1: Foundation 2021

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation

## General disclosures

<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Inner back cover			
	2-2 Entities included in the organization's sustainability reporting	5			
	2-3 Reporting period, frequency and contact point	5			
	2-4 Restatements of information	7			
	2-5 External assurance	6			
	2-6 Activities, value chain and other business relationships	14-15			
	2-7 Employees	135			
	2-8 Workers who are not employees	135			
	2-9 Governance structure and composition	177			
	2-10 Nomination and selection of the highest governance body	208			
	2-11 Chair of the highest governance body	180-181			
	2-12 Role of the highest governance body in overseeing the management of impacts	180-181			
	2-13 Delegation of responsibility for managing impacts	180-181			
	2-14 Role of the highest governance body in sustainability reporting	180-181			
	2-15 Conflicts of interest	179			
	2-16 Communication of critical concerns	30-36			
	2-17 Collective knowledge of the highest governance body	177,193			
	2-18 Evaluation of the performance of the highest governance body	177,193			
	2-19 Remuneration policies	215			
	2-20 Process to determine remuneration	215			
	2-21 Annual total compensation ratio	139			
	2-22 Statement on sustainable development strategy	48-50			
	2-23 Policy commitments	130,137			
	2-24 Embedding policy commitments	130,137			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
	2-25 Processes to remediate negative impacts	130,142,157			
	2-26 Mechanisms for seeking advice and raising concerns	130,142			
	2-27 Compliance with laws and regulations	157			
	2-28 Membership associations	133			
	2-29 Approach to stakeholder engagement	30-36			
	2-30 Collective bargaining agreements	142	2-30	Not Applicable	Collective bargaining agreements are not available in AEL
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	42			
	3-2 List of material topics	43-47			
<b>Economic performance</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	122			
	201-2 Financial implications and other risks and opportunities due to climate change	218			
	201-3 Defined benefit plan obligations and other retirement plans	313-315			
	201-4 Financial assistance received from government	-	201-4	Not Applicable	AEL did not receive any financial assistance from the government
<b>Market presence</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	139			
	202-2 Proportion of senior management hired from the local community	138			
<b>Indirect economic impacts</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	153			
	203-2 Significant indirect economic impacts	153			
<b>Procurement practices</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	151			

# GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Anti-corruption</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	130			
	205-2 Communication and training about anti-corruption policies and procedures	130			
	205-3 Confirmed incidents of corruption and actions taken	130	205-3	Not Applicable	No such incidents occurred
<b>Anti-competitive behavior</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	130			
<b>Tax</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	119			
	207-2 Tax governance, control, and risk management	119			
	207-3 Stakeholder engagement and management of concerns related to tax	119			
	207-4 Country-by-country reporting	-	207-4	Not Applicable	AEL operates within a single tax jurisdiction and is therefore not subject to country by country reporting requirement
<b>Energy</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	158			
	302-2 Energy consumption outside of the organization	-	302-2	Not Applicable	AEL does not track this
	302-3 Energy intensity	158			
	302-4 Reduction of energy consumption	158			
	302-5 Reductions in energy requirements of products and services	158			
<b>Water and effluents</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	161			
	303-2 Management of water discharge-related impacts	-	303-2	Not Applicable	AEL does not track this
	303-3 Water withdrawal	161			
	303-4 Water discharge	-	303-4	Not Applicable	AEL does not track this
	303-5 Water consumption	161			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Biodiversity</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	165			
	304-2 Significant impacts of activities, products and services on biodiversity	165			
	304-3 Habitats protected or restored	-	304-3	Not Applicable	AEL does not operate in or near habitats that are protected or restored
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	-	304-4	Not Applicable	AEL's operations do not affect IUCN Red List species or nationally recognized conservation species
<b>Emissions</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	160			
	305-2 Energy indirect (Scope 2) GHG emissions	160			
	305-3 Other indirect (Scope 3) GHG emissions	-	305-3	Not Applicable	Scope 3 (other indirect) GHG emissions are not currently tracked. The organization is assessing ways to measure and report these in future periods
	305-4 GHG emissions intensity	-	305-4	Not Applicable	GHG emissions intensity is not calculated at present due to the absence of comprehensive emissions data. Future reporting is planned once tracking systems are in place
	305-5 Reduction of GHG emissions	-	305-5	Not Applicable	No GHG emission reduction data is available. The organization plans to develop emission reduction strategies and establish tracking mechanisms in the future
	305-6 Emissions of ozone-depleting substances (ODS)	157			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	160			

# GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Spills</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 306: Effluents and Waste 2016</b>	306-3 Significant spills	-	306-3	Not Applicable	Waste data is not currently tracked. The organization intends to implement a system to monitor waste generation in the future
<b>Waste</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	162-164			
	306-2 Management of significant waste-related impacts	162-164			
	306-3 Waste generated	-	306-3	Not Applicable	Waste data is not currently tracked. The organization intends to implement a system to monitor waste generation in the future
	306-4 Waste diverted from disposal	-	306-4	Not Applicable	Waste diversion data is not currently tracked. Plans are in place to establish tracking mechanisms going forward
	306-5 Waste directed to disposal	-	306-5	Not Applicable	Waste disposal data is not available at present. The organization aims to improve data collection for future reporting
<b>Supplier environmental assessment</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	151-152			
	308-2 Negative environmental impacts in the supply chain and actions taken	151-152			
<b>Employment</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	138			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	140			
	401-3 Parental leave	140			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Labor/management relations</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	142			
<b>Occupational health and safety</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	143,144			
	403-2 Hazard identification, risk assessment, and incident investigation	143			
	403-3 Occupational health services	143			
	403-4 Worker participation, consultation, and communication on occupational health and safety	143			
	403-5 Worker training on occupational health and safety	144			
	403-6 Promotion of worker health	143			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	143			
	403-8 Workers covered by an occupational health and safety management system	143			
	403-9 Work-related injuries	145			
	403-10 Work-related ill health	145			
<b>Training and education</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	141			
	404-2 Programs for upgrading employee skills and transition assistance programs	141			
	404-3 Percentage of employees receiving regular performance and career development reviews	140			
<b>Diversity and equal opportunity</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	177			
	405-2 Ratio of basic salary and remuneration of women to men	139			

## GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Non-discrimination</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	137	406-1	Not Applicable	No incidents of discrimination were reported during the period
<b>Freedom of association and collective bargaining</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	137	407-1	Not Applicable	AEL does not have any collective bargaining agreement
<b>Child labor</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	137,138	408-1	Not Applicable	No operations or supplies identified as posing risk for forced or compulsory labour
<b>Forced or compulsory labor</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	137	409-1	Not Applicable	No operations or supplies identified as posing significant risk for forced or compulsory labour
<b>Local communities</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	153-155			
	413-2 Operations with significant actual and potential negative impacts on local communities	153-155			
<b>Supplier social assessment</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	-	414-1	Not Applicable	AEL does not currently screen new suppliers using social criteria
	414-2 Negative social impacts in the supply chain and actions taken	151			

GRI Standard/ Other Source	Disclosure	Location	Omission		
			Requirement(S) Omitted	Reason	Explanation
<b>Customer health and safety</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	147			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	147			
<b>Marketing and labeling</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	149			
	417-2 Incidents of non-compliance concerning product and service information and labeling	149	417-2	Not Applicable	No such incidents occurred
	417-3 Incidents of non-compliance concerning marketing communications	149	417-3	Not Applicable	No such incidents occurred
<b>Customer privacy</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	43-47			
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	150	418-1	Not Applicable	No such incidents occurred

# INDEPENDENT ASSURANCE REPORT TO ACCESS ENGINEERING PLC



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

Tel +94 - 11 542 6426  
Fax +94 - 11 244 5872  
+94 - 11 244 6058  
Internet www.kpmg.com/lk

## INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF ACCESS ENGINEERING PLC ON THE SUSTAINABILITY INDICATORS IN THE INTEGRATED ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2025

Limited Assurance Sustainability Indicators	Integrated Annual Report Page
Financial Highlights	16
Non-Financial Highlights	17

### Conclusion

We have performed a limited assurance engagement on whether the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 has been prepared in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 (summarized in the table below) are not prepared, in all material respects, in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

Information provided on following	
Financial Capital	115 to 122
Manufactured Capital	123 to 127
Intellectual Capital	128 to 133
Human Capital	134 to 146
Social & Relationship Capital	147 to 155
Natural Capital	156 to 165

This conclusion on the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 does not extend to any other information that accompanies the integrated report. We have read the other information, but we have not performed any procedures with respect to the other information.

### Basis for conclusion

We conducted our engagement in accordance with Sri Lanka Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Institute of Chartered Accountants of Sri Lanka (ICASL). Our responsibilities under this standard are further described in the “Our responsibilities” section of our report.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by CA Sri Lanka (Code of Ethics).

Our firm applies Sri Lanka Standard on Quality Management 1 (SLSQM 1), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved

C. P. Jayatilake FCA  
Ms. S. Joseph FCA  
R.M.D.B. Rajapakse FCA  
M.N.M. Shameel FCA  
Ms. P.M.K. Sumanasekara FCA

T. J. S. Rajakarier FCA  
W. K. D. C. Abeyrathne FCA  
Ms. B.K.D.T.N. Rodrigo FCA  
Ms. C.T.K.N. Perera ACA

W. W. J. C. Perera FCA  
G. A. U. Karunaratne FCA  
R. H. Rajan FCA  
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R.Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), R. G. H. Raddella ACA, Ms. D Corea Dharmaratne

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Criteria Used as the Basis of Reporting

The criteria used as the basis of reporting is the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

### Intended purpose of our Report

We have been engaged by the Directors of Access Engineering PLC ("the Company") to provide limited assurance on the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 (the "Integrated Report"), prepared in accordance with Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.

### Restriction on use or distribution of our Report

This report has been prepared for the Directors of Access Engineering PLC for the purpose of providing an assurance conclusion on the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Company, or for any other purpose than that for which it was prepared.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Access Engineering PLC, for any purpose or in any other context. Any party other than Access Engineering PLC who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Access Engineering PLC for our work, for this independent assurance report, or for the conclusions we have reached.

Board of Directors and Management's responsibility

The Board of Directors and Management are responsible for:

- » designing, implementing and maintaining internal controls relevant to the preparation of the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 that are free from material misstatement, whether due to fraud or error.
- » selecting suitable criteria for preparing the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 and appropriately referring to or describing the criteria used; and
- » preparation and fair presentation of the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 in accordance with the Consolidated Set of Global Reporting Initiative Sustainability Reporting Standards.
- » preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities.
- » ensuring that staff involved with the preparation and presentation of the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

### Inherent Limitations in Preparing the Limited Assurance Sustainability Indicators

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur in disclosures of the Sustainability Information and not be detected.

Our engagement is not designed to detect all internal control weaknesses in the preparation of the Sustainability Information because the engagement was not performed on a continuous basis throughout the period and the audit procedures performed were on a test basis.

### Our responsibilities

We are responsible for:

- » planning and performing the engagement to obtain limited assurance about whether the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 are free from material misstatement, whether due to fraud or error;
- » forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and;
- » reporting our conclusion to the Board of Directors.

### Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 that is sufficient and appropriate to provide a basis for our conclusion.

Our procedures selected depended on our understanding of the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

# INDEPENDENT ASSURANCE REPORT TO ACCESS ENGINEERING PLC



- » interviews with senior management and relevant staff at corporate and selected site level concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- » enquiries of management to gain an understanding of the Company's processes for determining material issues for the Company's key stakeholder groups;
- » enquiries of relevant staff at corporate and selected site level responsible for the preparation of the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025;
- » enquiries about the design and implementation of the systems and methods used to collect and report the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025, including the aggregation of the reported information;
- » comparing the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 to relevant underlying sources on a sample basis to determine whether all the relevant information has been appropriately included in the Report;
- » reading the Sustainability Indicators in the Integrated Annual Report of Access Engineering PLC for the year ended 31st March 2025 presented in the Report to determine whether they are in line with our overall knowledge of, and experience with, the sustainability performance of the Company;
- » reading the remainder of the Report to determine whether there are any material misstatements of fact or material inconsistencies based on our understanding obtained as part of our assurance engagement.

A limited assurance engagement is restricted primarily to enquires and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the Directors of Access Engineering PLC.

**CHARTERED ACCOUNTANTS**

Colombo

22 July 2025

# FINANCIAL INFORMATION



## Defining the Horizon

At Access Engineering, our financial performance sets the contours of our strategic journey—clarifying where we stand today and where we are headed. Through transparent disclosures and disciplined stewardship, we define the path toward sustainable growth and long-term value creation.

248	Annual Report of the Board of Directors on the Affairs of the Company
255	Statement of Directors' Responsibility
256	Directors' Statement on Internal Control
257	Independent Auditors' Report
262	Statement of Profit or Loss and Other Comprehensive Income
263	Statement of Financial Position
264	Statement of Changes in Equity
265	Statement of Cash Flows
267	Index to the Financial Statements
268	Notes to the Financial Statements

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

The Board of Directors of Access Engineering PLC has pleasure in presenting to the shareholders their Annual Report on the affairs of the Company together with the Chairman's Message, Statements of Responsibility, Auditors' Report, Audited Financial Statements, Independent Assurance on the Annual Report for the financial year ended 31st March 2025, conforming to all relevant statutory requirements.

This Report provides the information as required by the Companies Act, No. 07 of 2007, Listing Rules of the Colombo Stock Exchange and Code of Best Practice on Corporate Governance 2023 issued by the CA Sri Lanka.

## GENERAL

Access Engineering PLC was incorporated in terms of the Companies Act No.17 of 1982 on 31 July 2001 and was re-registered as per the Companies Act No.7 of 2007 on 6 February 2008 with PB200 as the new number assigned to the Company. The Company obtained a listing on the Diri Savi Board of the Colombo Stock Exchange on 27 March 2012 and changed its name to Access Engineering PLC on 12 June 2012. The registration number of the Company changed to PB 200 PQ.

Access Engineering PLC is now listed on the Main Board of the Colombo Stock Exchange with effect from 8 January 2013.

## PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY AND THE GROUP

Access Engineering PLC is a holding company and manages a portfolio of diverse range of business including Civil Engineering, Construction Material Production, Mechanical Engineering, Properties commercial offices, Properties - commercial warehouses, Condominium Properties, Renewable Energy, Automobile and Radiopharmaceutical. Refer Note no 32 to the Financial Statements on page 322 for a brief description of the principal activities of the Company and subsidiaries.

## INVESTMENT ACTIVITIES DURING THE YEAR

The Company has invested the amount of LKR 300,000,000/- of 60% share capital of Access Medical Tracers (Private) Limited.

In addition to the company invested 100% Share capital of Access Engineering Port Services (Private) Limited at a consideration of LKR 30,000,000/- during the year. Refer Note no. 33.1

## REVIEW OF THE PERFORMANCE OF THE COMPANY AND THE GROUP

Review of the financial and operational performance of the Company and the Group are described in the joint statements of Executive Vice Chairman and Managing Director and under the review of business operations in Pages 20 to 25 The Segment-wise contribution to Group revenue, results, assets and liabilities are provided in Note 4 to the Financial Statements on page 273.

## FINANCIAL STATEMENTS

The Financial Statements of the Group and the Company have been prepared in accordance with the Sri Lanka Accounting Standards (SLFRs/ LKASs) and comply with requirements of the Companies Act No. 07 of 2007 and, fulfills all disclosure requirements stipulated by above and the Listing Rules of the Colombo Stock Exchange. The Financial Statements for the year ended 31st March 2025 signed on behalf of the Board by the Executive Vice Chairman and Managing Director, are given on page 263.

## FINANCIAL RESULTS AND APPROPRIATIONS

### Revenue

Revenue generated by the Group amounting to LKR 34,511 Mn (2024 - LKR 21,501 Mn). Similarly the Company revenue amounted to LKR 29,321 Mn (2024 - LKR 18,323 Mn). A detailed revenue analysis is presented in Note 5 (Page 276) to the Financial Statements.

### Profits and appropriations

Group profit after tax and Group profit attributable to equity holders of the Parent for the year depicted a figure of LKR 6,291 Mn (2024 - LKR 6,854 Mn) and LKR 6,310 Mn (2024 - LKR 6,861 Mn) respectively. In addition, the profit after tax of the Company was LKR 4,547 Mn (2024 - LKR 1,545 Mn).

Furthermore, the Group total comprehensive income attributable to parent was LKR 6,293 Mn (2024 - LKR 6,777 Mn). The Company's total comprehensive income for the year was LKR 4,533 Mn (2024 - LKR 1,470 Mn).

Access Engineering PLC for the year ended 31 March

	2025 LKR'000	2024 LKR'000
Balance brought forward from the previous year	15,132,028	15,162,485
Profit after tax	4,547,413	1,544,940
Other adjustments	(14,051)	(75,397)
Amount available for appropriation	19,665,390	16,632,028
1st interim dividend	1,000,000	500,000
2nd interim dividend	1,000,000	1,000,000
Balance carried forward to the following year	17,665,390	15,132,028

\*In accordance with LKAS 10 - Events after the Reporting Period, the 2nd interim dividend (2024/25) has not been recognized as liability in the financial statements as at 31 March 2025.

## Dividends

First interim dividend of LKR 1 Per Share was declared on 06 December 2024 and paid on 06 January 2025.

Second interim dividend of LKR 1 Per Share was declared on 22 May 2025 and paid on 20 June 2025.

## Revenue Reserves

The Revenue reserves of the Group and the Company as at 31 March 2025 amounted to LKR 31,127 Mn (2024 - LKR 26,834 Mn) and LKR 18,995 Mn (2024 - 16,461 Mn) respectively. The movement during the year is disclosed in the Statement of Changes in Equity on page 264.

## Accounting Policies

The accounting policies adopted by the Company in the preparation of Financial Statements are given on pages 268 to 340 and are consistent with those of the previous period.

## Donations

As at 31 March 2025 total donations made by the Group and the Company amounted to LKR 11,542,559/- (2024 – LKR 3,572,093/-) and LKR 3,438,654/- (2024 – LKR 2,759,093/-) respectively.

## Taxation

A detailed statement of the income tax and deferred tax applicable to the Group and Company disclosed with a reconciliation of the accounting profits with the taxable profits are provided in Note 9 to the Financial Statements.

## Corporate Social Responsibility

Details of CSR programs and initiatives of the group of companies are mentioned on pages 147 to 155 in this annual report.

## Property, Plant and Equipment [PPE] and Intangible Assets

The capital expenditure on property, plant, and equipment in terms of the Group and the Company equaled to LKR 4,396 Mn (2024 – LKR 406Mn.) and LKR 293 Mn (2024 – LKR 225 Mn) respectively. Related information and movements have been disclosed in Note 11 (pages 286 to 292) to the Financial Statements.

The Group has been further invested LKR 103 Mn for intangible assets during the year and all other related details to intangible assets are disclosed under the Note 14 (pages 298 to 300) to the Financial Statements.

## MARKET VALUE OF PROPERTIES

### Market value of property, plant and equipment

Freehold land and buildings owned by the Group companies were revalued as at 31 March 2023 and the carrying value was adjusted accordingly. The Group's accounting policy on Property, Plant and Equipment is disclosed under Note 11 (pages 286 to 292). The information relating to freehold land and buildings are enclosed in Note 11.3 (page 292) to the Financial Statements

## Land holdings

The extents, locations and valuations of the Group's freehold land holdings are given below:

Location	Extent			Carrying value of Land LKR
	A	R	P	

### Access Engineering PLC

No. 336/1, Low Level Road, Jalthara, Ranala	-	3	38.4	90,000,000
No. 267, Dehiwala Road, Maharagama	-	3	1	338,000,000
No. 278, Alubogahalanda, Jalthara, Ranala	3	2	39.42	202,000,000
Dickowita – Hendala	2	-	3.68	19,400,000
Weliwita – Kaduwela	2	-	-	64,000,000
Divigalahena – Hakmana	10	-	-	10,000,000
Dombawinne Estate, Heeralugedara, Kotadeniyawa	50	1	8.7	417,000,000

### Access Realties (Private) Limited

No 266, 268 & 278 Dr Colvin R De Silva Mawatha Union Place - Colombo 02	2	20.22		1,600,000,000
No 116 & 118 Dawson Street, Colombo 02	2	5.43		1,000,000,000

### Sathosa Motors PLC

Peliyagoda - Leasehold land (99 years)	2	-	23.93	4,387,779
No. 86, Vauxhall Street, Colombo 02	-	2	3.07	925,000,000

### Access Projects (Private) Limited

No. 278, Kekulanvila Road, Jaltara, Ranala	2	1	38.38	215,000,000
No. 281, Kekulanvila Road, Jaltara, Ranala	-	-	20	8,300,000
No. 301/1/D, Jaltara, Ranala.		3	26	15,000,000

### WUS Logistics (Private) Limited

No. 540, Maligagodella Watta, Aswedduma Junction, Aluthapola, Negambo	41	2	27.45	2,200,000,000
Kimbulapitiya, Negambo	-	3	16.25	13,008,718

### Harbour Village (Private) Limited

No. 250, Srimath Ramanathan Mawatha, Kotahena, Colombo 15	5	-	-	2,400,000,000
---	---	---	---	---------------

### Access Logistics (Private) Limited

Kimbulapitiya South, Kimbulapitiya, Negombo	1	3	31.3	89,784,950
---	---	---	------	------------

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

## INVESTMENT PROPERTIES

The investment properties of business units, when significantly occupied by Group companies, are classified as PPE in the consolidated Financial Statements in compliance with LKAS 40.

The Group revalued its investment properties in line with the policies adopted by the Group and the carrying value at Group and Company level is LKR 36,699 Mn (2024 – LKR 36,363Mn.) and LKR 774Mn (2024 – LKR 1,196Mn) respectively. All information related to revaluation of the investment properties are provided in Note 13 (page 296) to the Financial Statements.

## SHORT TERM INVESTMENTS

A detailed description of the Company's investment in quoted shares held as at 31 March 2025 is given in Note 21 (page 308) to the Financial Statements.

## STATED CAPITAL

The Stated Capital of the Company as at 31st March 2025 was LKR 9,000 Mn representing 1,000 Mn ordinary shares. There were no changes in the Stated Capital of the Company during the year. Details are disclosed in Note 24 to the Financial Statements on page 309.

## SHARE INFORMATION

### Shareholders

There were Nine thousand eight hundred six shareholders registered as at 31st March 2025 (8,951 shareholders as at 31st March 2024). The details of distribution are given on page 232 of this Annual Report.

### Major shareholders, distribution schedule and other information

Information on the distribution of shareholding, analysis of shareholders, market values per share, earnings, dividends, net assets per share, twenty largest shareholders of the Company, percentage of shares held by the public as per the Listing Rules of the Colombo Stock Exchange are given on Pages 232 to 235 under Investor Capital.

## THE BOARD OF DIRECTORS

### Directors' responsibility for Financial Reporting

The Directors are responsible for the preparation of the Financial Statements of the company to reflect a true and fair view of the state of its affairs. The Directors are of the view that these financial statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards (SLFRSs/LKASs), the Companies Act No. 07 of 2007 and the Listing Rules of the Colombo Stock Exchange.

Further information pertaining to the Directors' Responsibility is enclosed in the Statement of Directors' Responsibility on page 255

### Names of Directors

The names of the Directors who held office as at the end of the accounting period are given below and their brief profiles appear on pages 168 to 171.

For the year ended 31 March 2025	Executive	Non-Executive	Independent Non Executive
S J S Perera (Chairman)	✓		
J C Joshua (Executive Vice Chairman)	✓		
D A R Fernando (Managing Director)	✓		
S H S Mendis	✓		
S D Munasinghe	✓		
S D Perera		✓	
Shamal J S Perera		✓	
C V Kulatilaka *			✓
M J S Rajakariar *			✓
R P Pathirana *			✓

\* C. V. Kulatilaka was appointed as an Independent Non-Executive Director of the Company w.e.f 1st October 2024 and was re-designated as the Senior Independent Director w.e.f 1st January 2025.

\* M J S Rajakariar was appointed as an Independent Non-Executive Director of the company w.e.f 1 November 2024.

\* R P Pathirana was appointed as an Independent Non-Executive Director of the company w.e.f 31 December 2024.

N D Gunaratne, Prof. K A M K Ranasinghe and D S Weerakkody resigned as an Independent Non-Executive Directors of the company w.e.f 31 December 2024.

### Recommendation for Re-election of Directors retire by rotation

Shamal J S Perea retires by rotation in terms of Articles 88 and 89 of the Articles of Association and being eligible, consequent to review by the Nominations and Governance Committee is recommended by the Board for re-election.

are recommended by the Board for re-election by the shareholders, consequent to review by the Nominations and Governance Committee.

Directors of Subsidiary Companies as at 31st March 2025 are given in the page 344 of this Annual Report.

### Review of the Performance of the Board

The performance of the Board has been appraised through a formalized process of individual appraisal by enabling each member to self-appraise on an anonymous basis and it is mentioned in Page 198.

### Recommendation for re-election of Directors who were appointed since the last Annual General Meeting

C V Kulatilaka, M J S Rajakariar and R P Pathirana, who were appointed to the Board in terms of Article 95 of the Articles of Association of the Company, since the last Annual General Meeting

### **Policies in terms of Rule 9.2 of the Listing Rules**

In terms of Rule 9.2.1 of the Listing Rules, the Company established, adopted and published on the Company website (www.accessengsl.com) the following policies, ensuring adherence to best practices in corporate governance, ethical conduct, and regulatory compliance:

- a) Policy on the matters relating to the Board of Directors
- b) Policy on Board Committees
- c) Policy on Corporate Governance, Nominations and Re-election
- d) Policy on Remuneration
- e) Policy on Internal Code of Business conduct and Ethics for all Directors and employees, including policies on trading in the Entity's listed securities
- f) Policy on Risk Management and Internal controls
- g) Policy on Relations with Shareholders and Investors
- h) Policy on Environmental, Social and Governance Sustainability
- i) Policy on Control and Management of Company Assets and Shareholder Investments
- j) Policy on Corporate Disclosures
- k) Policy on Whistleblowing
- l) Policy on Anti-Bribery and Corruption

There were no significant changes to the above policies adopted by the Company during the year under review.

### **Fit and Proper Assessment of Directors**

In terms of Rule 9.7.4 of the Listing Rules of the Colombo Stock Exchange, declarations were obtained from the Directors who confirmed that they have continuously satisfied the Fit and Proper Assessment Criteria set out in the Listing Rules during the Financial Year under review and as at the date of such declarations. These Declarations were placed before the Nominations and Governance Committee, and upon review by the Nominations and Governance Committee, where no member participated in decisions relating to his/her continuation, were then presented to the Board.

### **Independence of Directors**

The Board, based on the Declarations submitted by the Independent Directors declaring his/her independence against the criteria specified in Rule 9.8.3 of the Listing Rules and such other information available to the Board that could reasonably be constructed to have a bearing on the independence of such Directors, determined that the Three (3) Independent Directors namely C V Kulatilaka, M J S Rajakariar and R P Pathirana are 'Independent' in terms of the Listing Rules.

### **Policy on Relations with Shareholders and Investors**

The Company has established a process for effective communication and relations with shareholders and investors. Accordingly, the shareholders have access to the Company as set out in Investor Capital on page 231 of this Report.

### **Other Directorships held by the Directors**

The Board, based on the recommendations of the Nominations and Governance Committee, and considering the time allocation required of the Directors for the Board related matters of the Company decided that a Director of the Company shall not hold more than Six (6) directorships in Listed Companies.

### **Policy on Matters relating to the Board of Directors**

The Company has in terms of the above Policy, acted in compliance with the requirements set out in Rule 9.5.1 of the Listing Rules.

### **Additional disclosures by / pertaining to Directors**

- a) **Material Interests in Contracts involving the Company**

The Directors have declared all material interests in contracts involving the Company in terms of the Companies Act and the Articles of the Association of the Company and have acted as prescribed therein, and where relevant have refrained from voting on matters in which they were materially interested.

- b) **Material Business Relationships with each other**

None of the Directors or close family members have any material business relationships with the other Directors of the Company.

- c) **Other Directorships held by the Directors**

Other Directorships held by Directors are disclosed on page 319.

- d) **Review of Internal Controls**

The Directors have, through the Audit Committee, conducted a review of the Internal controls covering financial, operational and compliance control and risk management and thereby obtained reasonable assurance of their effectiveness and successful adherence therewith.

- e) **Applicable Laws Rules and Regulations**

The Directors have made arrangements to make themselves aware of applicable laws, rules and regulations and are aware of the changes, particularly to Listing Rules and applicable capital market provisions.

There were no material non-compliance with law or regulation or any fines, which are material, imposed by any Government or regulatory authority in any jurisdiction where the Company has operations

### **Directors' Remuneration**

The Company has adopted a Remuneration Policy and established a formal procedure for determination of remuneration of Directors including Executive Directors. No Director is involved in deciding his or her own remuneration.

The Directors' remuneration is disclosed under key management personnel compensation in Note 29.1.3 to the Financial Statements on page 316.

### **Directors' Interests in Contracts**

Directors' interests in contracts with the Company are stated below. The Directors have no direct or indirect interest in any other contract or proposed contract with the Company. Except for the transactions referred to in Note 29 (page 316) to the Financial Statements, the Company did not carry out any transaction with any of the Directors.

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

## Directors' Shareholding

The relevant interests of Directors in the shares of the Company as at 31 March 2025 and 31 March 2024 are as follows.

	Shareholding as at 31/03/2025	Shareholding as at 31/03/2024
S J S Perera	250,000,000	250,000,000
J C Joshua	102,000,000	102,000,000
D A R Fernando	30,150,000	24,300,000
S H S Mendis	30,150,000	24,300,000
S D Munasinghe	30,150,000	24,300,000
S D Perera	2,000,000	2,000,000
Shamal J S Perera	51,159,365	51,159,365
R P Pathirana	500	Nil
C V Kulatilaka	Nil	Nil
M J S Rajakariar	Nil	Nil
Prof. K A M K Ranasinghe*	-	100
D S Weerakkody*	-	60,597
N D Gunaratne*	-	Nil

\*N D Gunaratne, Prof. K A M K Ranasinghe and D S Weerakkody resigned as an Independent Director of the company w.e.f 31 December 2024.

## BOARD COMMITTEES

The Audit Committee, Remuneration Committee, Related Party Transactions Review Committee, Investment and Subsidiary Performance Monitoring Committee, Strategic Planning Committee and Nominations and Governance Committee function as Board Sub Committees, with Directors, who possess the requisite qualifications and experience. The composition of the said Committees is as follows:

### Audit Committee

M J S Rajakariar - Chairman  
C V Kulatilaka  
R P Pathirana  
S D Perera  
Shamal J S Perera

### Remuneration Committee

R P Pathirana - Chairman  
M J S Rajakariar  
C V Kulatilaka  
Shamal J S Perera

### Related Party Transactions Review Committee

M J S Rajakariar - Chairman  
C V Kulatilaka  
R P Pathirana  
D A R Fernando

### Investment & Subsidiary performance monitoring Committee

C V Kulatilaka – Chairman  
R P Pathirana  
M J S Rajakariar  
J C Joshua  
D A R Fernando  
Shamal J S Perera

### Nominations and Governance Committee

C V Kulatilaka – Chairman  
R P Pathirana  
Shamal J S Perera

### Declaration - Compliance with the Listing Rules on Related Party Transactions

In terms of Rule 9.14.8(4) of the Listing Rules, the Directors declare that the Company is in compliance with Rule 9.14 of the Listing Rules of the Colombo Stock Exchange pertaining to Related Party Transactions during the financial year ended 31st March 2025.

## INTEREST REGISTER

The Company maintains an Interests Register in terms of the Companies Act, No. 7 of 2007, which is deemed to form part and parcel of the Annual Report and available for inspection upon request.

All related party transactions which encompass the transactions of Directors who were directly or indirectly interested in a contract or a related party transaction with the Company during the accounting period are recorded in the Interests Register in due compliance with the applicable rules and regulations of the relevant regulatory authorities.

The relevant interests of Directors in the shares of the Company as at 31 March 2025 as recorded in the Interests Register are given in this Report under Directors' shareholding.

## EMPLOYEE SHARE OWNERSHIP PLANS

The Group does not operate any share option scheme.

## RELATED PARTY TRANSACTIONS

The Company's transactions with Related Parties, given in Note 29.4 (page 318) to the Financial Statements

### Non-Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8 (1) of the Listing Rules

For disclosure of non-recurrent related party transactions which aggregate value exceeded 10% of the equity or 5% of the total assets whichever is lower of the Group as per latest Audited Financial Statements as at 31st March 2024, which required additional disclosures in this Annual Report in terms of Rule 9.14.8 (1) of the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Related Party Transactions under the Securities and Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act. Refer Related Party Transaction Review Committee Report in pages 313 to 314.

### Recurrent Related Party Transactions – Disclosure in terms of Rule 9.14.8 (2) of the Listing Rules

There were no recurrent related party transactions which aggregate value exceeded 10% of the consolidated revenue of the Group as per latest Audited Financial Statements as at 31st March 2024, which required additional disclosures in this Annual Report in terms of Rule 9.14.8 (2) of the Listing Rules of the Colombo Stock Exchange and Code of Best Practices on Related Party Transactions under the Securities and

Exchange Commission Directive issued under Section 13(c) of the Securities and Exchange Commission Act.

## CORPORATE GOVERNANCE

The Board of Directors confirms that they are in compliance with section 7.10 of the Listing Rules of the CSE. The Chairman, the Board of Directors and the Key Management Personnel is dedicated towards upholding an effective Corporate Governance Framework in compliance with the Code of Business Conduct, Ethics of the Company and in implementing systems and structures required to ensuring best practices within the Company.

The corporate governance of the Company reflects the efforts taken to enhance and protect the interests of the stakeholders of the Company. Prudent internal controls ensure professionalism, integrity and commitment of the Board of Directors, Management and employees.

The Corporate Governance Statement on pages 197 to 206 explains the measures adopted by the Company during the year of review.

## INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Group's system of internal control. The system is designed to give assurance, inter alia, regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information generated. However, any system can only ensure reasonable and not absolute assurance that errors and irregularities are either prevented or detected within a reasonable time period.

The Board, having reviewed the system of internal controls, is satisfied with the Group's adherence to and effectiveness of these controls for the period up to the date of signing the Financial Statements.

## SUSTAINABILITY

The Group pursues its business goals based on a model of stakeholders' governance. Finding of the continuous internal stakeholder engagements have enabled the Group to focus on material issues highlighted by other stakeholders such as employees, customers, suppliers and the community. These steps have been encapsulated in a group-wide strategy focused on sustainable

development which is continuously evolving based on the above mentioned stakeholder engagements. Capital Formation and Distribution on page 153.

## EMPLOYMENT POLICY

The Company's employment policy is totally non-discriminatory which respects individuals and provides carrier opportunities irrespective of the gender, race or religion.

At Company level as at 31 March 2025 a total of 1,333 Persons were in employment (1,277 persons as at 31 March 2024). Refer Human Capital on Pages 134 to 146 for more information.

## SUPPLIER POLICY

AEL relates an overall policy of agreeing and clearing communicating terms of payment as per the commercial agreements approved upon and pays for all items in accordance with the same. As at 31 March 2025 the trade and other payables in terms of the Group and the Company amounted to LKR32,015 Mn (2024 - LKR 34,061 Mn) and LKR 10,010 Mn (2024 - LKR 13,602Mn) respectively. Details of the same are given on Note 28 on page 315.

AEL further makes every effort in order to follow the value of effective stakeholder engagement in order to establish an enhanced value added model as a result.

## ENVIRONMENTAL PROTECTION

The Group complies with appropriate environmental laws and regulations to fulfill the best practices applicable in the country of operation. After making adequate enquiries from the management, the Directors are satisfied that the Company operates in a manner that minimizes the detrimental effects on the environment and provides products and services that have a beneficial effect on the customers and the communities within, which the Company operates. Refer Natural Capital on Pages 156 to 165 for more information.

## STATUTORY PAYMENTS

The Directors confirm that to the best of their knowledge, all taxes, duties and levies payable by the Company and its subsidiaries, all contributions, levies and taxes payable on behalf of, and in respect of employees of the Group and the Company and all other known

statutory dues as were due and payable by the Group and the Company as at the Statement of Financial Position date have been paid or, where relevant provided for, except as specified in Note 30 (Page 320) to the Financial Statements covering commitments and contingencies.

## CONTINGENT LIABILITIES

Except as disclosed in Note 30 (Page 320) to the Financial Statements, there were no material Contingent liabilities as at the reporting date.

## RISK MANAGEMENT

An ongoing process is in place to identify and manage the risks that are associated with the business and operations of the Company and the Group on a quarter basis. The Directors review this process through the Audit Committee, to identify the competence and success of internal controls.

Specific steps taken by the Company in managing the risks are detailed in the section on Enterprise Risk Management on Pages 219 to 230.

## EVENTS OCCURRING AFTER THE REPORTING PERIOD

Except for the matters disclosed in Note 31 (Page 321) to the Financial Statements, there were no material events as at the date, which require adjustment to or disclosure in the Financial Statements.

## GOING CONCERN

The Financial Statements are prepared on going concern principles. After making adequate enquires from the Management, the Directors are satisfied that the Company and its subsidiaries have adequate resources to continue its operations in the foreseeable future.

## INDEPENDENT AUDITORS' REPORT

The Report of the Independent Auditor on the Financial Statements of the Company is given on Pages 257 to 261.

## AUDITORS

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

# ANNUAL REPORT OF THE BOARD OF DIRECTORS ON THE AFFAIRS OF THE COMPANY

A total amount of LKR 5,850,000 is payable by the Company to the Auditors for the year under review comprising LKR 4,950,000 as audit fees and LKR 900,000 for non-audit services. [on Note 8.1 of page 279]

The Auditors have expressed their willingness to continue in the office. A resolution to re-appoint the Auditors and to authorize the Directors to determine their remuneration will be proposed at the forthcoming Annual General Meeting.

## COMPLIANCE WITH LAWS AND REGULATIONS

To the best of knowledge and belief of the Directors, the Group/Company has not engaged in any activity, which contravenes laws and regulations of the country.

## SPECIAL BUSINESS

Special Business to be transacted at the Annual General Meeting - Amendments to the Articles of Association

The "Special Business" set out as Item 2 of the Notice of Annual General Meeting contains amendments to certain Articles of the Articles of Association of the Company, as recommended by the Directors, to be adopted by way of a Special Resolution. The salient amendments proposed are :

- (a) Article 58 be deleted in its entirety and the new heading and the Article 58 be substituted therefore for meetings of shareholders to be held in addition to physical meetings as per the present Article; by means of audio or audio and visual communication ; thereby providing the Board to have the option to determine whether a General Meeting of shareholders would be held as a physical meeting, electronic meeting or as a hybrid meeting.

- (b) Currently, the minimum number of Directors shall not be less than three (03). The recent amendments to Listing Rules require the minimum number to be increased to five (05). The proposed amendment to the number of Directors is to be in line with the new Rule.
- (c) The Listing Rules have introduced provisions relating to the circumstances under which / the period for which an Alternate Director may be appointed. The proposed amendment to the provisions relating to Alternate Directors is to align the existing provisions with the Listing Rules.
- (d) Additional methods were brought in, to serve notice on shareholders.
- (e) Further provision in terms of the Listing Rules that publication by advertisement must be done as required by the statute in all three languages in national daily newspapers is proposed to be amended. Publication of notice was further enhanced if permitted by law, to be done via the official website of the Company and/or the official website of the Colombo Stock Exchange so long as the Company is listed on the Colombo Stock Exchange

## ANNUAL GENERAL MEETING

The Fourteenth Annual General Meeting will be held on 27 August 2025 at 2.00 P.M at the Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02.

The notice of the Annual General Meeting appears on page 345.

## ACKNOWLEDGEMENT OF THE CONTENT OF THE REPORT

As required by the section 168(1)(k) of the Companies Act No. 07 of 2007, the Board of Directors do hereby acknowledge the content of this Annual Report.

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



**J C Joshua**  
Executive Vice Chairman



**D A R Fernando**  
Managing Director



**P W Corporate Secretarial (Pvt) Ltd**  
Secretaries

22 July 2025  
Colombo

# STATEMENT OF DIRECTORS' RESPONSIBILITY

This Statement sets out the responsibility of the Board of Directors in respect to the Financial Statements of the Company and its Subsidiaries. The responsibility of the Auditors in relation to the Financial Statements of the Company and its Subsidiaries is specified in the "Independent Auditors' Report" given in pages 257 to 261.

The Directors are responsible for the proper recording and maintenance of the books of all accounts of all transactions of the Company and its Subsidiaries under Sections 150(1), 151, 152(1) and 153 of the Companies Act No. 07 of 2007.

Under Section 148, the Directors are responsible for preparing the Company Financial Statements that give a true and fair view of the State of the Affairs of the Company and its Subsidiaries at the reporting date of each financial year. The prepared Financial Statements consist of the Statement of Comprehensive Income giving a true and fair view of the profit or loss of the Company along with its Subsidiaries for the financial year ended, the Statement of Financial Position giving a true and fair view of the State of Affairs of the Company and its Subsidiaries at the end of the financial year, the Statement of Changes in Equity, Statement of Cash Flows and Notes thereto.

During the course of preparation of the Financial Statements the Directors confirm that:

- » Appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained;
- » Financial Statements are presented in accordance with Sri Lanka Accounting Standards (SLFRSs/LKASs) and reasonable and prudent judgments and estimates have been made so that the form and substance of transactions are properly reflected;

- » Financial Statements provide information required by and otherwise comply with the Companies Act and the Listing Rules of the Colombo Stock Exchange;
- » The Company maintains with reasonable accuracy sufficient accounting records to disclose the financial position of the Company and the Group;
- » Financial Statements have been prepared on a going concern basis and they are of the view that sufficient resources are available to justify.

The Board of Directors confirm that they have taken reasonable measures to safeguard the assets of the Company and the Group in this regard have established appropriate systems of internal control with a view to preventing and detecting fraud and other irregularities.

As required by the Section 56(2) of the Companies Act No. 07 of 2007, the Board of Directors have confirmed that the Company, based on the information available, satisfied the solvency test immediately after the distribution, in accordance with Section 57 of the Companies Act No. 07 of 2007, and have obtained a certificate from the Auditors, prior to declaring all dividends. The Directors are of the view that they have discharged their responsibilities as set out in this Statement.

The External Auditors, Messrs KPMG who were deemed re-appointed in terms of Section 158 of the Companies Act No. 07 of 2007 were provided with every opportunity to undertake the inspections they considered appropriate to enable them to form their opinion on the Financial Statements. The Report of the Auditors, shown on pages 257 to 261 sets out their responsibilities in relation to the Financial Statements.

## COMPLIANCE REPORT

The Directors confirm that to the best of their knowledge all contributions, levies and taxes payable on behalf of and in respect of the employees of the Company and its Subsidiaries and all other known statutory dues as were due and payable by the Company and its Subsidiaries as at reporting date have been paid or, where relevant, provided for, except as specified in Note 30 (page 320) to the Financial Statements covering commitments and contingencies.

By Order of the Board,  
**Access Engineering PLC**



**P W CORPORATE SECRETARIAL  
(PRIVATE) LIMITED**  
Secretaries

22 July 2025

# DIRECTORS' STATEMENT ON INTERNAL CONTROL

The following Statement fulfils the requirement to publish the Directors' Statement on Internal Control as per the Code of Best Practice on Corporate Governance 2017 jointly issued by The Institute of Chartered Accountants of Sri Lanka and the Securities and Exchange Commission of Sri Lanka.

The Board of Directors are responsible for maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company and Group. This process includes enhancing the system of internal controls as and when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board.

The Board is of the view that the system of internal controls in place is sound and adequate to provide reasonable assurance regarding the reliability of financial reporting, and the preparation of Financial Statements for external purposes and is in accordance with relevant accounting principles and regulatory requirements.

Following features of the system of Internal Control that have been introduced by the Board to obtain reasonable assurance that proper system are in place:

- » Committees appointed by Board to assist them in ensuring the effectiveness of Company's daily operations and to ensure that these daily operations are within the corporate objectives, strategies and annual budget ratified by the Board.
- » The Head of Internal Auditor who heads the Internal Audit Department bears the responsibility of carrying out periodic audits on an ongoing basis covering all operational projects/ units to ensure the effectiveness of the system of internal control. These audits are carried out in accordance with the Annual Audit Plan approved by the Board of Audit Committee for

their review on a quarterly basis. In addition special audits are conducted as and when the need arises and findings of the same are submitted to the Board of Audit Committee for their review.

- » The Board Audit Committee reviews internal control issues identified by the Internal Audit Department, regulatory bodies and the Management and evaluates the adequacy and effectiveness of the risk management and internal control systems. They further review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the Board Audit Committee meetings are tabled at the Board meetings of the Company.
- » In accordance, with Sri Lankan Accounting Standards comprising SLFRS and LKAS, processes that are required to comply with requirements of recognition, measurement, presentation and disclosures were introduced and implemented. Consistent and continuous monitoring is in progress to enhance the system's effectiveness and efficiency.
- » The comments made by External Auditors in relation with the internal control system during the financial year 2024/25 were taken into significant consideration and the necessary steps have been taken to incorporate them where applicable.

## CONFIRMATION STATEMENT

The Board having implemented the above is aware that such systems are designed to manage rather than eliminate the risk of failure to achieve business objective and can only provide reasonable and not absolute assurance against material misstatements of loss.

Based on the above processes, the Board of Directors confirms that the financial reporting system of the Company has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes has been done in accordance

with the Sri Lankan Accounting Standards (SLFRSs/LKASs), requirements of the Companies Act No. 07 of 2007 and Listing Rules of the Colombo Stock Exchange. The Consolidated Financial Statements for the year ended 31 March 2025 have been audited by Messrs KPMG, Chartered Accountants.



**S J S PERERA**  
Chairman



**D A R Fernando**  
Managing Director



**M J S Rajakariar**  
Chairman- Audit Committee

22 July 2025

# INDEPENDENT AUDITORS' REPORT



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

Tel +94 - 11 542 6426  
Fax +94 - 11 244 5872  
+94 - 11 244 6058  
Internet www.kpmg.com/lk

## TO THE SHAREHOLDERS OF ACCESS ENGINEERING PLC

### Report on the Audit of the Financial Statements

#### OPINION

We have audited the financial statements of Access Engineering PLC ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the statement of financial position as at March 31, 2025, and statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 266 to 338.

In our opinion, the accompanying financial statements of the Company and the Group give a true and fair view of the financial position of the Company and the Group as of March 31, 2025, and of their financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

#### BASIS FOR OPINION

We conducted our audit in accordance with Sri Lanka Auditing Standards (SLAuSs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for professional Accountants issued by CA Sri Lanka (Code of Ethics), and we have

fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

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

#### RECOGNITION OF REVENUE

Refer Note 5 to the consolidated financial statements

##### Risk Description

##### Our Response

The major components of the Group's revenue comprises of revenue recognized overtime from construction contracts amounting to Rs. 19 Bn for the year ended 31 March 2025. Construction revenue is recognized overtime by reference to the Group's progress toward completing the contracts.

Management judgment is required to estimate the total construction costs, variations or claims recognized as contract revenue, and provision for liquidated damages that will affect the measure of progress and revenue and profit margins recognized from construction contracts. We identified construction revenue recognized overtime as a key audit matter because of the revenue recognition is inherently subjective and requires significant management judgment and errors in the recognition of revenue could have a material impact on the Group profit for the year.

Our audit procedures included,

- » Obtaining an understanding and assessing the design, implementation and operating effectiveness of the management's key internal controls over revenue recognition.
- » Discussing with the Group management and project managers the performance of the major contracts in progress during the year and comparing the contract revenue recognized for a sample of contracts in progress during the year with certifications from quantity surveyors appointed by the customers or payment applications from the in-house surveyor.
- » On a sample basis, inspecting of project contract agreements with customers and subcontractors to identify key terms and conditions, including contracting parties, contract period, contract sum, scope of the work and evaluating whether these key terms and conditions had been appropriately reflected in the total estimated revenue and cost to complete under the forecasts of contracts.
- » Assessing the adequacy of financial statements disclosure as per the required accounting standards.

KPMG, a Sri Lankan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

C.P. Jayatilake FCA  
Ms. S. Joseph FCA  
R.M.D.B. Rajapakse FCA  
M.N.M. Shameel FCA  
Ms. P.M.K. Sumanasekara FCA

T.J.S. Rajakarier FCA  
W.K.D.C. Abeyrathne FCA  
Ms. B.K.D.T.N. Rodrigo FCA  
Ms. C.T.K.N. Perera ACA  
R. G. H. Raddella ACA,

W.W.J.C. Perera FCA  
G.A.U. Karunaratne FCA  
R.H. Rajan FCA  
A.M.R.P. Alahakoon ACA

Principals: S.R.I. Perera FCMA (UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA, Ms. F.R. Ziyad FCMA (UK), FCIT, K. Somasundaram ACMA (UK), Ms. D Corea Dhamaratne

# INDEPENDENT AUDITORS' REPORT



## RECOVERABILITY OF TRADE RECEIVABLES

Refer Note 19 to the consolidated financial statements

### Risk Description

The Group trade receivables are stated in the financial position at their fair value less any provision for irrecoverable amounts. As at 31 March 2025 net of trade receivables were Rs. 11 Bn after provisions of Rs. 1 Bn.

There are inherent risks relating to customer's credit risk profile which varies due to the size of each customer and the industries that the customers operate in. The risk is whether the trade

receivables are recoverable and determining an appropriate provision for potentially impaired trade receivables requires significant management judgment.

Impairment allowances represent management's best estimate of the losses expected within receivables as at the financial position date. Management has assessed the receivable balances

individually & collectively based on the age of debts to identify any objective evidence of impairment.

Given the level of subjectivity nature of significant management judgments involved and transition adjustments are likely to be subject to scrutiny from investors/regulators resulted in impairment of trade receivables being considered as a key audit matter.

### Our Response

Our audit procedures included,

- » Evaluating the appropriateness of the impairment methodology adopted by the Group in accordance with SLFRS 9 and challenging the key assumptions and evaluating the reasonableness of the key judgments and methodology used by the management.
- » Assessing the appropriateness of impairment allowance by considering the estimation uncertainties by management pursuant to the current economic situation in determining loss allowances, including assessing the appropriateness of the key parameters and assumptions used in the expected credit loss model.
- » Evaluating the completeness, accuracy, and relevance of data used in preparation of the impairment provision.
- » Comparing the economic factors used in the models to market information to assess whether they are aligned with the market and economic development.
- » Evaluating the adequacy of the disclosures in the financial statements in accordance with the relevant accounting standards.

## IMPAIRMENT ASSESSMENT OF GOODWILL

Refer Note 14 to the consolidated financial statements

### Risk Description

As at 31 March 2025, the goodwill was carried at Rs. 525 Mn.

Management allocated goodwill to the respective cash-generating units ("CGU"), as disclosed in note 14 to the financial statements. The recoverable amounts of the identified CGUs have been determined based on value-in-use calculation.

Management performed the impairment assessment for goodwill with indicators of impairment and determined their recoverable amounts based on value-in-use calculations.

We have identified the assessment of impairment of goodwill as a key audit matter because judgment is required in identifying indicators of impairment and required the management to make various assumptions in the underlying cash flow forecasts.

### Our Response

Our audit procedures included,

- » Obtaining an understanding of management's impairment assessment process.
- » Evaluating the reasonableness of the Group's key assumptions for its cash flow projection by considering macro-economic environment factors such as discount rates, cost inflation and business growth with reference to the internally and externally derived sources including Group budgetary process and reasonableness of historical forecasts.
- » Considering the adequacy of the Group disclosures in the financial statements in respect of impairment testing.



## VALUATION OF INVESTMENT PROPERTIES

Refer Note 13 to the consolidated financial statements

### Risk Description

### Our Response

The Group investment properties are stated at their fair value in the amount of Rs. 36.7 Bn as at 31 March 2025.

Management's assessment of fair value of investment property is based on valuations performed by a qualified independent property valuer in accordance with recognized industry standards.

Further, the prevailing uncertain and volatile macro-economic environment introduced significant estimation uncertainty in relation to the measurement of the market value of investment properties.

We identified fair valuation of Investment properties as a key audit matter due to the use of significant estimates such as per perch price and value per square foot involved in assessing the fair value of the investment property.

Our audit procedures included,

- » Assessing the objectivity, independence, competence and qualifications of the external valuers.
- » Assessing the key assumptions applied and conclusion made by the external valuer in deriving the fair value of the Investment properties and comparing the same with evidence of current market values.
- » Engaging our own internal specialized resources to assess the reasonability of the valuation technique, discount rates, per perch and square feet prices.
- » Challenging how valuers had assessed the impact of the prevailing uncertain and volatile macro-economic environment to assess whether that it was appropriately considered in the measurement in valuing properties to determine the fair value of the investment property.
- » Assessing the adequacy of disclosure in relation to fair value of investment property in the financial statements.

# INDEPENDENT AUDITORS' REPORT



## OTHER INFORMATION

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters

related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SLAuSs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SLAuSs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- » Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- » Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- » Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- » Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- » Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- » Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company.

CA Sri Lanka membership number of the engagement partner responsible for signing this independent auditor's report is 3272.

**KPMG**  
Colombo, Sri Lanka

22 July 2025

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue	5.1	34,510,580,202	21,501,114,385	29,320,910,792	18,323,339,950
Cost of sales		(22,614,426,611)	(14,145,482,039)	(21,405,668,968)	(14,065,768,523)
<b>Gross profit</b>		<b>11,896,153,591</b>	<b>7,355,632,346</b>	<b>7,915,241,824</b>	<b>4,257,571,427</b>
Other income	6.1	317,667,162	319,847,921	1,841,323,717	755,801,249
Change in fair value of investment property	6.2	96,900,000	1,114,115,247	43,900,000	-
Administrative expenses		(2,343,445,432)	(1,897,052,421)	(1,367,448,325)	(972,660,173)
Selling and distribution expenses		(558,415,529)	(85,106,790)	-	-
Other expenses		(38,460,647)	(170,759,817)	(123,109,410)	(73,177,162)
<b>Operating profit</b>		<b>9,370,399,145</b>	<b>6,636,676,486</b>	<b>8,309,907,806</b>	<b>3,967,535,341</b>
Finance cost	7.1	(2,338,039,693)	(2,986,864,647)	(2,331,344,787)	(2,296,288,283)
Finance income	7.1	620,709,335	621,580,586	146,843,745	523,513,313
Share of results of equity-accounted investees, net of tax	16.2	130,460,270	33,178,401	-	-
<b>Profit before tax</b>		<b>7,783,529,057</b>	<b>4,304,570,826</b>	<b>6,125,406,764</b>	<b>2,194,760,371</b>
Income tax (expense) / reversal	9.1	(1,492,431,221)	2,548,983,513	(1,577,993,920)	(649,819,648)
<b>Profit for the period</b>		<b>6,291,097,836</b>	<b>6,853,554,339</b>	<b>4,547,412,844</b>	<b>1,544,940,723</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		6,310,062,416	6,860,884,579	4,547,412,844	1,544,940,723
Non-controlling interest		(18,964,580)	(7,330,240)	-	-
<b>Profit for the period</b>		<b>6,291,097,836</b>	<b>6,853,554,339</b>	<b>4,547,412,844</b>	<b>1,544,940,723</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>					
Remeasurement of defined benefit liabilities	27.1	(23,454,753)	(119,830,303)	(20,000,296)	(109,033,571)
Revaluation of Land and Buildings	11.1/11.2	-	-	-	-
Non quoted equity investments at FVOCI – net change in fair value		(50,461)	926,066	(50,461)	926,066
Related tax	9.1	7,081,118	35,944,482	6,000,089	32,710,071
<b>Items that will be reclassified to profit or loss in subsequent periods</b>					
Foreign currency translation difference of foreign operations		(37,397)	457,051	-	-
<b>Other comprehensive income for the period, net of tax</b>		<b>(16,461,493)</b>	<b>(82,502,704)</b>	<b>(14,050,668)</b>	<b>(75,397,434)</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>6,274,636,343</b>	<b>6,771,051,635</b>	<b>4,533,362,176</b>	<b>1,469,543,289</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		6,293,252,570	6,777,314,015	4,533,362,176	1,469,543,289
Non-controlling interest		(18,616,227)	(6,262,380)	-	-
<b>Total comprehensive income for the period, net of tax</b>		<b>6,274,636,343</b>	<b>6,771,051,635</b>	<b>4,533,362,176</b>	<b>1,469,543,289</b>
Basic earnings per share	10	6.31	6.86	4.55	1.54
Dividend per share	24.3			2.00	0.50

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

Figures in brackets indicate deductions.

# STATEMENT OF FINANCIAL POSITION

As at 31 March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Non-current assets</b>					
Property, plant and equipment	11.1/11.2	9,113,710,170	6,124,025,620	3,496,374,404	3,988,274,002
Right of use assets	12.1	2,405,629,765	2,610,728,430	189,546,639	196,744,612
Right of use assets - prepayment	12.1.1	-	9,017,304	-	9,017,304
Investment property	13.1	36,699,491,876	36,362,575,558	774,400,000	1,195,500,000
Investment property- work in progress	13.3	3,801,678,015	2,263,358,227	-	-
Intangible assets and goodwill	14.1	658,773,662	563,715,551	24,793,516	29,952,675
Investments in subsidiaries	15	-	-	26,938,411,343	26,711,408,498
Equity-accounted investees	16.1	2,249,839,125	2,179,378,255	1,818,100,056	1,878,099,456
Non-current financial assets	17	1,385,605	1,436,066	1,385,605	1,436,066
Deferred tax assets	9.4	4,786,845,070	4,194,961,691	192,043,005	-
		59,717,353,288	54,309,196,702	33,435,054,568	34,010,432,613
<b>Current assets</b>					
Inventories	18.1	25,193,767,102	20,341,289,862	2,735,111,351	2,923,636,459
Trade and other receivables	19.1	18,807,497,447	15,737,123,037	11,822,381,264	9,509,405,510
Amount due from related parties	29.2	125,566,918	139,386,083	5,556,566,655	3,516,713,534
Current tax assets	9.3	319,904,331	153,847,647	-	-
Other current financial assets	20	3,328,216,090	2,920,754,106	3,018,279,530	2,618,214,225
Short term investments	21	31,273,333	54,791,527	31,273,333	54,791,527
Short term deposits	22	153,284	1,416,886,032	-	-
Cash and cash equivalents	23	2,455,741,459	3,459,023,227	1,088,950,579	1,662,018,872
		50,262,119,964	44,223,101,521	24,252,562,712	20,284,780,127
<b>Total assets</b>		<b>109,979,473,252</b>	<b>98,532,298,223</b>	<b>57,687,617,280</b>	<b>54,295,212,740</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Stated capital	24.1	9,000,000,000	9,000,000,000	9,000,000,000	9,000,000,000
Other components of equity	24.2	816,006,060	816,043,457	329,293,246	329,293,246
Retained earnings		30,311,485,773	26,018,195,806	18,665,390,068	16,132,027,892
<b>Equity attributable to equity holders of the parent</b>		<b>40,127,491,833</b>	<b>35,834,239,263</b>	<b>27,994,683,314</b>	<b>25,461,321,138</b>
Non-controlling interests	34	2,585,486,101	2,408,801,713	-	-
<b>Total equity</b>		<b>42,712,977,934</b>	<b>38,243,040,976</b>	<b>27,994,683,314</b>	<b>25,461,321,138</b>
<b>Non-current liabilities</b>					
Government grants	25	4,387,782	4,607,163	-	-
Loans and borrowings	26	19,995,881,139	17,029,620,101	13,166,884,191	11,653,746,000
Lease liabilities	12.2	127,280,529	178,211,892	97,181,039	108,923,766
Employee benefit liabilities	27	447,477,664	366,267,110	379,801,969	306,785,840
Deferred tax liabilities	9.4	3,295,796,615	3,383,192,538	-	317,205,513
		23,870,823,729	20,961,898,804	13,643,867,199	12,386,661,119
<b>Current liabilities</b>					
Trade and other payables	28	32,015,164,690	34,061,155,273	10,010,153,368	13,602,191,921
Amount due to related parties	29.3	591,922,227	385,434,999	384,453,829	172,734,914
Loans and borrowings	26	6,844,525,550	4,228,304,414	2,511,453,152	2,338,024,239
Lease liabilities	12.2	78,569,029	89,043,717	31,408,608	8,732,440
Current tax liabilities	9.3	1,439,796,089	342,400,174	1,416,317,193	310,525,394
Deferred revenue		1,680,755,398	-	1,680,755,398	-
Unclaimed dividends		18,918,459	19,130,987	14,525,219	15,021,575
Bank overdraft	23	726,020,147	201,888,879	-	-
		43,395,671,589	39,327,358,443	16,049,066,767	16,447,230,483
<b>Total liabilities</b>		<b>67,266,495,318</b>	<b>60,289,257,247</b>	<b>29,692,933,966</b>	<b>28,833,891,602</b>
<b>Total equity and liabilities</b>		<b>109,979,473,252</b>	<b>98,532,298,223</b>	<b>57,687,617,280</b>	<b>54,295,212,740</b>
<b>Net asset per share</b>		<b>40.13</b>	<b>35.83</b>	<b>27.99</b>	<b>25.46</b>

The Accounting Policies and Notes form an integral part of these financial statements. The Financial Statements have been prepared in compliance with the requirements of the Companies Act No.7 of 2007.



**N Iddagodage**  
General Manager - Finance

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



**J C Joshua**  
Executive Vice Chairman



**D A R Fernando**  
Managing Director

22 July 2025  
Colombo.

# STATEMENT OF CHANGES IN EQUITY

Group	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Stated capital	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Total		
	LKR	LKR	LKR	LKR	LKR	LKR	LKR
<b>Balance as at 1 April 2023</b>	9,000,000,000	817,841,594	(2,255,188)	19,741,338,842	29,556,925,248	2,415,064,093	31,971,989,341
Profit for the year	-	-	-	6,860,884,579	6,860,884,579	(7,330,240)	6,853,554,339
Other comprehensive income for the year, net of tax	-	-	457,051	(84,027,615)	(83,570,564)	1,067,860	(82,502,704)
<b>Total comprehensive income for the year</b>	-	-	457,051	6,776,856,964	6,777,314,015	(6,262,380)	6,771,051,635
Cash dividends (Note 24.3)	-	-	-	(500,000,000)	(500,000,000)	-	(500,000,000)
<b>Balance at 31 March 2024</b>	9,000,000,000	817,841,594	(1,798,137)	26,018,195,806	35,834,239,263	2,408,801,713	38,243,040,976
Profit for the year	-	-	-	6,310,062,416	6,310,062,416	(18,964,580)	6,291,097,836
Other comprehensive income for the year, net of tax	-	-	(37,397)	(16,772,449)	(16,809,846)	348,353	(16,461,493)
<b>Total comprehensive income for the year</b>	-	-	(37,397)	6,293,289,967	6,293,252,570	(18,616,227)	6,274,636,343
Cash dividends (Note 24.3)	-	-	-	(2,000,000,000)	(2,000,000,000)	-	(2,000,000,000)
Non-controlling interest of AMT Pvt Ltd	-	-	-	-	-	200,000,000	200,000,000
Dividend paid to Non-Controlling Interest	-	-	-	-	-	(4,699,385)	(4,699,385)
<b>Balance at 31 March 2025</b>	9,000,000,000	817,841,594	(1,835,534)	30,311,485,773	40,127,491,833	2,585,486,101	42,712,977,934

Company	Stated capital	Revaluation reserve	Retained earnings	Total equity
	LKR	LKR	LKR	LKR
<b>Balance at 1 April 2023</b>	9,000,000,000	329,293,246	15,162,484,603	24,491,777,849
Profit for the year	-	-	1,544,940,723	1,544,940,723
Other comprehensive income for the year, net of tax	-	-	(75,397,434)	(75,397,434)
<b>Total comprehensive income for the year</b>	-	-	1,469,543,289	1,469,543,289
Cash dividends (Note 24.3)	-	-	(500,000,000)	(500,000,000)
<b>Balance at 31 March 2024</b>	9,000,000,000	329,293,246	16,132,027,892	25,461,321,138
Profit for the year	-	-	4,547,412,844	4,547,412,844
Other comprehensive income for the year, net of tax	-	-	(14,050,668)	(14,050,668)
<b>Total comprehensive income for the year</b>	-	-	4,533,362,176	4,533,362,176
Cash dividends (Note 24.3)	-	-	(2,000,000,000)	(2,000,000,000)
<b>Balance at 31 March 2025</b>	9,000,000,000	329,293,246	18,665,390,068	27,994,683,314

The Accounting Policies and Notes form an integral part of these financial statements.

Figures in brackets indicate deductions.

# STATEMENT OF CASH FLOWS

For the year ended 31 March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Cash flows from operating activities</b>					
Profit before tax		7,783,529,057	4,304,570,826	6,125,406,764	2,194,760,371
<b>Adjustments for:</b>					
Depreciation of property plant and equipment	11.1/11.2	1,067,319,005	1,115,932,107	786,367,862	869,633,946
Depreciation of right-of-use assets	12.1	91,495,164	101,944,149	7,197,974	7,197,974
Amortisation and impairment of intangible assets	14.1	8,081,846	18,211,837	5,159,159	13,635,480
Provision for employee benefits	27.1	84,690,187	65,992,461	70,025,759	51,379,212
Impairment losses/ write-off of trade and other receivables/inventories		456,811,613	67,266,246	385,951,137	31,160,474
Increase in fair value of investment properties	13.1	(96,900,000)	(1,114,115,247)	(43,900,000)	-
Fair value adjustment on other receivable		141,967,992	-	774,330,852	-
Impairment of Investment in Subsidiaries		-	-	102,997,155	61,515,315
Impairment of Goodwill		-	45,795,592	-	-
Gain on disposal of property, plant and equipment	6.1	(158,897,328)	(161,326,534)	(140,752,116)	(113,527,088)
Gain on derecognition of ROU assets		(15,578,794)	-	-	-
Loss on asset write off		342	3,310	342	3,310
Amortisation of government grant	25	(219,381)	(219,381)	-	-
Share of results of equity-accounted investees, net of tax	16.2	(130,460,270)	(33,178,401)	-	-
Dividend income from investments in subsidiaries	6.1	-	-	(1,642,356,867)	(601,766,821)
Net finance cost		1,575,362,366	2,365,284,062	1,410,170,190	1,772,774,969
<b>Operating profit before working capital changes</b>		<b>10,807,201,799</b>	<b>6,776,161,027</b>	<b>7,840,598,211</b>	<b>4,286,767,142</b>
<b>Changes in:</b>					
Inventories		(4,890,986,351)	(4,396,038,096)	184,239,338	(78,853,472)
Trade and other receivables		(2,087,727,123)	17,577,792	(1,291,618,067)	(139,140,518)
Other current financial assets		(407,461,984)	299,445,678	(400,065,305)	289,579,595
Amounts due from related parties		13,819,165	(57,147,579)	(2,672,215,981)	627,505,964
Trade and other payables		(2,065,027,825)	5,107,782,314	(3,617,753,607)	1,447,160,253
Amounts due to related parties		206,487,228	314,701,334	(13,281,085)	(56,354,637)
<b>Cash generated from/ (used in) operating activities</b>		<b>1,576,304,909</b>	<b>8,062,482,470</b>	<b>29,903,504</b>	<b>6,376,664,327</b>
Finance cost paid		(1,901,298,056)	(2,768,436,411)	(1,280,040,897)	(1,921,300,592)
Interest Paid on Lease Liabilities		(15,494,486)	-	-	-
Income tax paid	9.3	(894,831,194)	(667,549,468)	(824,938,152)	(562,417,577)
Gratuity paid	27	(26,934,386)	(80,534,722)	(17,009,926)	(50,280,381)
<b>Net cash flows generated from/ (used in) operating activities</b>		<b>(1,262,253,213)</b>	<b>4,545,961,869</b>	<b>(2,092,085,471)</b>	<b>3,842,665,777</b>

# STATEMENT OF CASH FLOWS

For the year ended 31 March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(4,396,074,129)	(406,058,485)	(292,901,478)	(225,392,574)
Right of use assets-prepayment		-	(55,898,231)	-	(55,898,231)
Purchase of intangible assets	14.1	(103,139,957)	(3,597,604)	-	-
Purchase of investment properties	13.1	(240,016,318)	(64,246,024)	-	-
Disposal of investment properties		-	-	465,000,000	-
Purchase of investment properties - work in progress	13.3	(1,538,319,788)	(4,418,837,859)	-	-
Proceeds from sale of property, plant and equipment		631,650,934	181,137,580	142,886,645	114,055,870
Investment in equity-Accounted Investees		-	(1,762,634,046)	-	(1,762,634,046)
Divestment in equity-accounted investees		59,999,400	540,000,000	59,999,400	540,000,000
Investment in subsidiary		-	-	(105,000,000)	-
Investment/Withdrawal in short term deposits		1,416,732,748	955,231,346	-	1,500,000,000
Net investment in equity instrument		(12,606,830)	(2,265,793)	(12,606,830)	(2,265,793)
Dividend income from investments in subsidiaries		-	-	1,491,844,469	601,766,821
Finance Income received		122,097,588	358,333,023	68,540,971	273,702,537
<b>Net cash flows used in investing activities</b>		<b>(4,059,676,352)</b>	<b>(4,678,836,093)</b>	<b>1,817,763,177</b>	<b>983,334,584</b>
<b>Cash flows from financing activities</b>					
Dividend paid to equity holders of the parent		(2,000,000,000)	(500,000,000)	(2,000,000,000)	(500,000,000)
Dividend Paid to Non-Controlling Interests		(4,699,385)	-	-	-
Proceeds from issue of shares to Non-Controlling Interest		200,000,000	-	-	-
Proceeds from loans & borrowings	26.2	79,719,276,030	36,456,849,678	66,465,000,000	26,652,733,011
Repayment of loans & borrowings	26.2	(74,083,089,703)	(31,437,191,343)	(64,763,746,000)	(27,900,641,700)
Repayment of lease liabilities		(36,970,416)	(64,089,733.04)	-	-
Repayment of Debenture	26.1	-	(561,857)	-	(561,857)
<b>Net cash flows generated from/ (used in) financing activities</b>		<b>3,794,516,526</b>	<b>4,455,006,745</b>	<b>(298,746,000)</b>	<b>(1,748,470,546)</b>
Increase in cash and cash equivalents		(1,527,413,037)	4,322,132,521	(573,068,293)	3,077,529,816
Cash and cash equivalent at the beginning of the year		3,257,134,349	(1,064,998,173)	1,662,018,872	(1,415,510,944)
<b>Cash and cash equivalent at 31st March</b>	23	<b>1,729,721,312</b>	<b>3,257,134,348</b>	<b>1,088,950,579</b>	<b>1,662,018,872</b>

The Accounting Policies and Notes form an integral part of these financial statements.

Figures in brackets indicate deductions.

# INDEX TO THE FINANCIAL STATEMENTS

Accounting Policy	Note	Page
Corporate and Group information	1	268
Basis of preparation	2	268
New and amended standards issued but not effective as at the reporting date	3	272
Segment information	4	273
Revenue	5	276
Other income	6	277
Net finance income / (cost)	7	278
Profit before tax	8	279
Income tax	9	280
Earnings per share	10	286
Property, plant and equipment	11	286
Right of use assets and leases	12	293
Investment properties	13	296
Intangible assets and goodwill	14	298
Investments in subsidiaries	15	300
Equity-accounted investees	16	302
Non-current financial assets	17	304
Inventories	18	305
Trade and other receivables	19	305
Other current financial assets	20	307
Short term investments	21	308
Short term deposits	22	308
Cash and cash equivalents	23	308
Stated capital and other component of equity	24	309
Government grant	25	310
Loans and borrowings	26	310
Employee benefits	27	313
Trade and other payables	28	315
Related party disclosure	29	316
Provisions, commitments and contingencies	30	320
Events after the reporting period	31	321
Group Information	32	322
Business combinations	33	333
Non-controlling interest	34	324
Financial assets and financial liabilities	35	326
Fair value measurement and related fair value disclosures	36	330
Financial instruments, risk management objectives, and policies	37	332
Other disclosures	38	340

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE AND GROUP INFORMATION

This section provides Corporate and Group information about Access Engineering PLC, its subsidiaries, joint venture and associate.

### 1.1. Reporting Entity

Access Engineering PLC ("Company") is a public limited liability company, incorporated on 31 July 2001 and domiciled in Sri Lanka. The Company was re-registered under the Companies Act No. 07 of 2007 on 06 February 2008. The ordinary shares of the Company are listed at the Colombo Stock Exchange. The Company's registered office and the principal place of business are located at "Access Towers", 278, Union Place, Colombo 02.

The principal activities and nature of operations of the Company, its subsidiaries and equity accounted investees are given on Note 32 to the Financial Statements.

Access Engineering PLC does not have any identifiable parent of its own. The Company is the ultimate parent of the Group.

### 1.2. Consolidated Financial Statements

The Financial Statements for the year ended 31 March 2025 comprise "the Company" referring to Access Engineering PLC as the holding Company and "the Group" referring to companies that have been consolidated therein together with the Group's interests in Equity-accounted Investees.

The Financial Statements of all Companies in the Group have a common financial year which ends on 31 March.

### 1.3. Approval of Financial Statements

The Consolidated Financial Statements of Access Engineering PLC and its subsidiaries (collectively the Group) for the year ended 31

March 2025 were authorised for issue by the Board of Directors on 22 July 2025.

### 1.4. Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Company and its subsidiaries as per provisions of the Companies Act No. 07 of 2007 and the Sri Lanka Accounting Standards (SLFRSs / LKASs).

The Board of Directors acknowledges this responsibility for Financial Statements as set out in the "Statement of Directors' Responsibility for Financial Statements" (Refer page 255), 'Annual Report of the Board of Directors' (Refer page 248) and in the statement appearing with the Statement of Financial Position (Refer page 263) of this Annual Report.

## 2. BASIS OF ACCOUNTING

This section covers the basis of preparation of Financial Statements including policies, assumptions, judgements, estimates, and adoption of Sri Lanka Accounting Standards (SLFRSs/LKASs). Accounting policies and basis for judgements and estimates that are specific to notes in section 4, is given in the relevant note.

### 2.1. Statement of compliance

The Financial Statements of the Company and the Consolidated Financial Statements of the Group comprise Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows together with the Accounting Policies and Notes (the Financial Statements) which have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs / LKASs) laid down by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and further, these statement comply with the requirement of the

Companies Act No. 7 of 2007, provide appropriate disclosures as required by Listing Rules of Colombo Stock Exchange.

These Financial Statements except for information on cash flows have been prepared following the accrual basis of accounting.

The Group did not adopt any inappropriate accounting treatments which are not in compliance with the requirements of SLFRSs and LKASs, regulations governing the preparation of Financial Statements.

### 2.2. Components of Financial Statements

The consolidated financial statements include the following components:

- » Statement of Profit or Loss and Other Comprehensive Income providing information on the financial performance of the Group and the Company for the year under review.
- » Statement of Financial Position providing information on the financial position of the Group and the Company as at the year end.
- » Statement of Changes in Equity depicting all changes in shareholders' funds during the year under review for the Group and the Company.
- » Statement of Cash Flow providing information to users on the ability of the Group and the Company to generate cash and cash equivalents and utilisation of those cash flows.
- » Notes to the financial statements comprising material accounting policies and other explanatory information.

### 2.3. Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the following material items.

- » Lands and buildings which are recognised as property plant and equipment which are measured at cost on initial recognition and subsequently carried at fair value.
- » Lands and buildings which are recognised as investment property which are measured at cost on initial recognition and subsequently carried at fair value.
- » Financial instruments classified as fair value through profit or loss which are measured at fair value.
- » Retirement benefit obligations measured at the present value of the defined benefit
- » Lease liabilities measured at amortised cost using effective interest method where appropriate, the specific policies are explained in the succeeding notes. No adjustments have been made for inflationary factors in the Financial Statements.
- » Fair value through other comprehensive income financial assets which are measured at fair value

#### 2.4. Functional and Presentation Currency

Items included in these Financial Statements are measured using the currency of primary economic environment in which the Company operates (functional currency).

Each entity in the Group determines its own functional currency and items included in the Financial Statements of these entities are measured using that functional currency. There were no change in the Group's presentation and functional currency during the year under review.

These Financial Statements are presented in Sri Lankan Rupees, the Group's functional and presentation currency.

The following subsidiary company is using different functional currency other than Sri Lankan Rupees (LKR):

Country of incorporation	Functional Currency	Name of the Subsidiary
Republic of Kenya	Kenyan Shilling	AEL East Africa Limited

#### 2.5. Materiality and Aggregation

Each material class of similar items is presented separately in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard - LKAS 1 on "Presentation of Financial Statements".

Notes to the Financial Statements are presented in a systematic manner that ensure the understandability and comparability of Financial Statements of the Group and the Company. Understandability of the financial statements is not compromised by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

#### 2.6. Comparative Information

The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year. The presentation and classification of the financial statements of the previous period, have been adjusted, where relevant, for better presentation refer Note no 38.

#### 2.7. Summary of Significant accounting judgments, estimates and assumptions

The preparation of the Group's Consolidated Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets

and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, Management has made various judgments. Those which Management has assessed to have the most significant effect on the amounts recognized in the Consolidated Financial Statements have been discussed in the individual Notes of the related Financial Statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual Notes of the related Financial Statement line items below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 March 2025 is included in the following notes.

# NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies	Note
Revenue recognition	Note 5
Revaluation of Property, plant and equipment	Note 11
Fair value of the investment property	Note 13
Impairment of non financial assets: key assumption underlying recoverable amount	Note 2.9.5
Measurement of defined benefit obligation: key actuarial assumptions	Note 27
Measurement of ECL allowance for trade receivables	Note 19
Fair value measurement of financial instruments	Note 36
Impairment of financial assets	Note 35
Income Tax (current tax and deferred tax)	Note 9
Recognition and measurement of provisions and contingencies: key assumption about the likelihood and magnitude of an outflow of resources	Note 30
Recognition of subsidiaries based on de facto control over an investee	Note 33

## 2.8. Going concern

The Directors have made an assessment of the Company, its subsidiaries, associates and joint ventures have adequate resources to continue in operational existence and ability to continue as a going concern for the foreseeable future.

In making this assessment the management has considered the potential negative impact that the current economic conditions could bring to the business operation of the Group. Furthermore, changes in underlying economic factors have fluctuated the prices of inputs and outputs of automobile and property sectors.

Having evaluated the future outlook of the Group, the Directors have made an assessment of the Group's

ability to continue as a going concern, and being satisfied that it has the resources to continue in business for the foreseeable future confirmed that they do not intend either to liquidate or to cease operations of the Group. Furthermore, management is not aware of any material uncertainties relating to event or condition that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

## 2.9. Summary of material accounting policies

Summary of material accounting policies have been disclosed along with the relevant individual notes in the subsequent pages.

Following accounting policies which have been applied consistently by the Group, are considered to be material but are not covered in any other sections.

### 2.9.1 Basis of consolidation

The Consolidated Financial Statements comprise the Financial Statements of the Company, its subsidiaries and the Group's interest in equity accounted investees (associates and joint ventures). Subsidiaries and equity accounted investees are disclosed in Note 15, Note 16 and Note 33 to the Financial Statements respectively.

Subsidiaries are those entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- » Power over the investee. (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).

- » Exposure, or rights, to variable returns from its involvement with the investee.
- » The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- » The contractual arrangement(s) with the other vote holders of the investee.
- » Rights arising from other contractual arrangements.
- » The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income,

expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### 2.9.2 Current versus non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/ non-current classification. An asset is current when it is:

- » Expected to be realised or intended to sold or consumed in the normal operating cycle
- » Held primarily for the purpose of trading
- » Expected to be realised within twelve months after the reporting period

Or

- » Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- » It is expected to be settled in the normal operating cycle
- » It is held primarily for the purpose of trading

- » It is due to be settled within twelve months after the reporting period

Or

- » There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non current assets and liabilities.

### 2.9.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. The amount of borrowing costs eligible for capitalisation is determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use are completed.

### 2.9.4 Foreign currencies

#### 2.9.4.1 Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on

settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit or loss are also recognised in Other Comprehensive Income or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

#### 2.9.4.2 Foreign operations

Subsidiaries incorporated outside Sri Lanka are treated as foreign operations. On consolidation, the assets and liabilities of foreign operations are translated into Sri Lanka Rupees at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other Comprehensive Income and presented in the foreign

# NOTES TO THE FINANCIAL STATEMENTS

currency translation reserve in equity except to the extent the translation difference is allocated to the non-controlling interest. On disposal of a foreign operation, the component of Other Comprehensive Income relating to that particular foreign operation is reclassified to income statement as part of the gain or loss on disposal.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

## 2.9.5 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no

such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses are recognized in the Statement of Profit or Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognized in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## 2.9.6 Statement of cash flows

The Statement of Cash Flow has been prepared using the 'indirect method' in accordance with Sri Lanka Accounting Standard - LKAS

7 - "Statement of Cash Flows", whereby operating activities, investing activities and financing activities are separately recognised. Cash and cash equivalent comprise cash in hand, cash at bank and short term investments that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

Interest received and dividends received are classified as investing cash flows, while dividend paid is classified as financing cash flows and interest paid is classified under the operating cash flows for the purpose of presentation of Statement of Cash Flows.

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

## 3. STANDARDS ISSUED BUT NOT EFFECTIVE AS AT THE REPORTING DATE

A number of new accounting standards are effective for annual reporting periods beginning after 01st January 2025 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's Financial Statements.

### 3.1 General requirements for disclosure of sustainability-related financial information (SLFRS S1) and Climate-related disclosures (SLFRS S2)

SLFRS S1 General requirements for Disclosure of Sustainability related financial information requires an entity to disclose information about

its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

SLFRS S2 Climate-related disclosures require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity

These standards will become effective for the Group from 01st January 2025. No financial impact is expected on the Group except for additional disclosures.

#### 4. SEGMENT INFORMATION

##### Accounting policy

Operating Segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (Geographical Segment), which is subject to risks and returns that are different from those of the Segments. The Group's Primary Format for segmental reporting is based on Business Segments. The Business Segments are determined based on the Group's Management and internal reporting structure.

The activities of the Group are located mainly in Sri Lanka. Consequently, the economic environment in which the Group operated is not subject to risks and rewards that are significantly

different on a geographical basis. Hence disclosure by geographical region is not provided.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Statements.

As such for Management purposes, the Group is organized into business units based on their products and services and has nine operating Business Segments as follows:

Business Segment	Operations
Civil Engineering	Multi-disciplinary construction and construction-related service
Construction Material Production	Production and supply of construction related material such as asphalt product, quarry products, crusher products, ready-mix concrete and other construction material.
Mechanical Engineering	Commission, repair and maintenance of port machinery.
Properties commercial offices	Focuses on the developing and managing of premium office spaces, designed to meet the evolving needs of modern businesses.
Properties - commercial warehouses	Provides modern warehousing and logistics facilities to support storage and supply chain management.
Condominium Properties	Development, sale & leasing of residential and commercial properties.
Renewable Energy	To engage in the generation and operation of renewable energy facilities.
Automobile	Importing and distribution or sale of three branded motor vehicles, selling spare parts and operates of work shops for services & repairs.
Radiopharmaceutical	Involving in the manufacture and distribution of FDG radioisotope.

# NOTES TO THE FINANCIAL STATEMENTS

## 4.1 Business segment

For the year ended 31 March 2025	Civil Engineering	Construction Material production	Mechanical Engineering	Properties	
	LKR	LKR	LKR	Commercial offices LKR	Commercial warehouses LKR
<b>Revenue</b>					
External customers	20,126,107,109	7,826,386,038	42,065,717	1,175,585,081	2,219,110,766
Inter-segment	2,038,112,929	134,322,051	-	127,154,355	60,000,000
<b>Total revenue</b>	<b>22,164,220,038</b>	<b>7,960,708,089</b>	<b>42,065,717</b>	<b>1,302,739,436</b>	<b>2,279,110,766</b>
Segment operating profit	6,502,920,805	1,687,833,884	6,876,183	824,063,915	1,767,158,741
Net finance income / (cost)	(1,892,453,324)	(337,001,116)	-	8,384,483	(333,279,634)
Share of results of equity-accounted investees, net of tax (Note 16.2)	-	-	141,405,251	-	-
Income tax expense	(1,024,867,413)	(554,929,306)	(2,010,581)	(182,232,739)	(242,383,593)
<b>Segment profit</b>	<b>3,585,600,068</b>	<b>795,903,462</b>	<b>146,270,854</b>	<b>650,215,660</b>	<b>1,191,495,514</b>
Capital expenditure	231,464,925	72,357,814	1,487,471	120,728,275	3,089,722,795
Depreciation and amortisation	574,894,523	272,910,203	137,256	28,720,465	15,275,439
<b>As at 31 March 2025</b>					
Segment assets	53,588,472,206	5,692,032,699	48,833,882	12,874,420,530	31,599,185,722
Segment liabilities	28,238,295,275	2,568,253,973	13,855,289	3,955,933,708	7,433,170,895
<b>For the year ended 31 March 2024</b>					
	Civil Engineering	Construction Material production	Mechanical Engineering	Properties	
	LKR	LKR	LKR	Commercial offices LKR	Commercial warehouses LKR
<b>Revenue</b>					
External customers	11,425,537,654	5,094,792,088	-	1,011,475,709	1,814,407,278
Inter-segment	2,342,173,295	853,705,301	-	113,447,959	-
<b>Total revenue</b>	<b>13,767,710,949</b>	<b>5,948,497,389</b>	<b>-</b>	<b>1,124,923,668</b>	<b>1,814,407,278</b>
Segment operating profit	2,567,526,005	1,323,910,989	-	1,699,002,013	1,434,904,032
Net finance income / (cost)	(1,067,359,655)	(768,111,298)	-	40,343,000	(444,119,347)
Share of results of equity-accounted investees, net of tax (Note 16.2)	-	-	91,964,357	-	-
Income tax expense	(428,584,265)	(168,055,667)	-	(541,241,188)	3,803,067,096
<b>Segment profit</b>	<b>1,071,582,086</b>	<b>387,744,023</b>	<b>91,964,357</b>	<b>1,198,103,825</b>	<b>4,793,851,780</b>
Capital expenditure	108,600,584	119,422,143	-	87,833,369	3,780,203,452
Depreciation and amortisation	675,543,619	273,381,034	-	33,700,206	16,172,240
<b>As at 31 March 2024</b>					
Segment assets	50,899,350,598	5,721,648,435	-	12,006,853,574	32,478,494,081
Segment liabilities	27,999,763,379	2,562,693,513	-	3,552,037,002	8,383,582,027

Income tax expense and net finance income/ (cost) have been allocated to above on a pro-rata basis, for a better presentation.

Condominium Properties	Renewable Energy	Automobile	Radiopharmaceutical	Adjustments & eliminations	Group Total
LKR	LKR	LKR	LKR	LKR	LKR

-	174,024,185	2,947,301,305	-	-	34,510,580,202
-	-	25,551,183	-	(2,385,140,518)	-
-	174,024,185	2,972,852,488	-	(2,385,140,518)	34,510,580,202
(443,491,338)	173,115,038	574,064,558	-	(1,722,142,641)	9,370,399,145
371,092,270	(42,916,241)	(126,090,977)	-	634,934,181	(1,717,330,358)
(10,944,981)	-	-	-	-	130,460,270
(13,196,647)	668,527,874	(141,338,816)	-	-	(1,492,431,221)
(96,540,697)	798,726,671	306,634,764	-	(1,087,208,460)	6,291,097,836
1,502,128,788	-	1,110,619,340	168,449,301	(19,408,516)	6,277,550,192
6,792,223	31,869,586	133,278,962	29,032	11,522,195	1,075,400,852
31,221,831,035	2,896,104,218	4,837,955,524	526,633,138	(33,305,995,701)	109,979,473,252
27,045,895,803	2,409,879,738	2,338,019,512	26,172,014	(6,762,980,892)	67,266,495,318

Condominium Properties	Renewable Energy	Automobile	Radiopharmaceutical	Adjustments & eliminations	Group Total
LKR	LKR	LKR	LKR	LKR	LKR

-	-	2,154,901,656	-	-	21,501,114,385
-	-	18,548,480	-	(3,327,875,035)	-
-	-	2,173,450,136	-	(3,327,875,035)	21,501,114,385
(12,825,592)	-	298,708,221	-	(674,549,182)	6,636,676,486
-	-	(139,109,435)	-	13,072,676	(2,365,284,060)
(58,785,956)	-	-	-	-	33,178,401
(73,766,372)	-	(42,436,091)	-	-	2,548,983,513
(145,377,920)	-	117,162,695	-	(661,476,508)	6,853,554,339
749,395,363	-	111,332,017	-	(121,289,998)	4,835,496,929
7,275,166	-	111,144,103	-	16,927,577.58	1,134,143,944
24,428,246,122	-	3,877,748,548	-	(30,880,043,135)	98,532,298,223
20,168,588,869	-	1,652,042,913	-	(4,029,450,456)	60,289,257,247

# NOTES TO THE FINANCIAL STATEMENTS

## 5. REVENUE

### Accounting policy

Revenue represents the amounts derived from the construction contracts, sale of goods and provision of services, which fall within the Group's ordinary activities net of trade discounts and turnover related taxes.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Timing of transferring the goods and services to the customer is determined based on judgments taking into the consideration of the nature of the goods and services that offers to the customers.

The following specific criteria are used for the purpose of recognition of revenue:

### Construction contracts

Revenue from construction related contracts is recognised upon satisfaction of a performance obligation agreed in the contract. At contract inception, the Group determines whether it satisfies the performance obligation over time or at a point in time. The revenue recognition occurs at a point in time when control of the asset is transferred to the customer. For each performance obligation satisfied over time, the Group recognizes the revenue over time by measuring the progress towards complete satisfaction of that performance obligation.

The progress is assessed based on surveys of work performed. When the outcome of construction contract can not be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. By considering loss making contracts, a provision is immediately made in profit or loss for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price when the forecast costs are greater than the forecast revenue.

### Sale of goods

The revenue recognition occurs at a point in time when control of the asset is transferred to the customer, generally, on delivery of the goods. Sales are measured at the fair value of the consideration received or receivable excluding amounts collected on behalf of third parties (e.g. Sales taxes) and variable consideration (e.g. discounts and rebates).

### Rendering of services

Revenue from rendering of services is recognised in the Statement of Profit or Loss when each performance obligations are satisfied by transferring promised service to the customer.

### Rental Income

Rental income arising from operating lease on investment properties is accounted for on a straight-line basis over the lease term and incurred in revenue in the Statement of Profit or Loss due to its operating nature.

### Agency Services

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount that it retains for its agency services.

### Solar Income

Revenue from solar power generation is recognized based on the delivery of electricity to the national grid or to contracted customers. revenue is measured at the fair value of the consideration under the power purchase agreement.

### Maintenance Income

Revenue from maintenance income is recognized over time as the services are performed, reflecting the continuous transfer of benefits to the customer.

## 5.1 Revenue

For the year ended 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Roads and highways construction	2,469,256,464	1,904,553,605	2,469,256,464	1,904,553,605
Water and drainage construction	21,164,556	71,070,192	21,164,556	71,070,192
Bridge construction	940,667,456	438,613,337	940,667,456	438,613,337
Building and other construction	15,601,051,750	7,637,900,302	16,966,560,123	8,691,321,480
Design income	-	2,505,705	-	110,265,705
Sale of construction-related material	7,826,386,038	5,094,792,088	7,829,295,310	5,467,223,121
Hiring income	1,093,356,087	1,295,269,786	1,093,356,087	1,562,726,360
Fabrication income	610,797	75,624,727	610,796	77,566,150
Solar income	174,024,185	-	-	-
Maintenance income	42,065,717	-	-	-
Vehicle sales and after sales services	2,947,301,305	2,154,901,656	-	-
Rental income	3,394,695,846	2,825,882,987	-	-
	34,510,580,202	21,501,114,385	29,320,910,792	18,323,339,950

### 5.1.1 Timing of revenue recognition

For the year ended 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Revenue recognised at a point in time	15,436,374,258	11,446,471,244	8,923,262,193	7,107,515,631
Revenue recognised over time	19,074,205,944	10,054,643,141	20,397,648,599	11,215,824,319
	34,510,580,202	21,501,114,385	29,320,910,792	18,323,339,950

## 5.2 Contract Balances

### Contract assets

Contract assets are entity's right to consideration in exchange for goods or services that the entity has transferred to a customer, when that right is conditioned on some criteria other than the passage of time. Upon satisfaction of the conditions, the amounts recognised as contract assets are reclassified to trade receivables. The contract assets primarily relate to the Group's right to consideration for work completed but not billed at the reporting date.

### Contract liability

The contract liabilities are entity's obligation to transfer goods and services to a customer for which the entity has received consideration (or the amount is due) from the customer. The contract liabilities primarily relate to the advance consideration received from customers for goods or services provided, for which revenue is recognised over the time.

Detail of contract assets, contract liabilities and amount recognised during the year as revenue are disclosed in the Note 19.5 and Note 28.1 respectively.

## 6. OTHER INCOME

### Accounting policy

Income earned in other sources, which are not directly related to the ordinary course of business are recognized as other income.

The following specific criteria are used for the purpose of recognising income.

### Gain on disposal of property, plant and equipment

The gain on disposal of property, plant and equipment is determined as the difference between the carrying amount of the property, plant and equipment at the time of disposal and the proceeds from disposal net of expenses incurred in disposal.

### Dividend

Dividend income is recognised when the Group's/ Company's right to receive the payment is established.

### Rent income

Rent income is accounted for on a straight-line basis over the lease term.

### Membership income

Membership income recognized on accrued basis

### Sundry income

Sundry income includes the repair maintenance income, miscellaneous income and creditor write off on accrued basis.

### Change in fair value of investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in Statement of profit or loss. Details of Investment properties are disclosed in the Note 13.

## 6.1 Other Income

For the year ended 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Dividend income from investments in subsidiaries	-	-	1,642,356,867	601,766,821
Rent income	3,089,240	6,210,715	6,540,431	26,500,515
Gain on disposal of property, plant and equipment	158,897,328	161,326,534	140,752,116	113,527,088
Sundry income	112,518,170	124,017,333	19,618,295	9,974,146
Parking fee income	32,056,007	4,032,679	32,056,007	4,032,679
Restaurant and membership income	11,106,417	24,260,660	-	-
	317,667,162	319,847,921	1,841,323,717	755,801,249

## 6.2 Change in fair value of investment property

For the year ended 31 March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Gain on fair value changes of investment property	13.1	96,900,000	1,114,115,247	43,900,000	-
		96,900,000	1,114,115,247	43,900,000	-

Accounting policy and detailed note of the investment properties are disclosed on Note no 13

# NOTES TO THE FINANCIAL STATEMENTS

## 7. NET FINANCE INCOME / (COSTS)

### Accounting policy

#### Finance income

Finance income comprises of interest income on funds invested, staff loan, retention receivable, contract liability and dividend income, gains on the disposal of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in the Statement of Profit or Loss.

Interest income is recorded using the Effective Interest Rate (EIR) method, which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial

instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset.

#### Finance costs

Finance costs comprise interest expense on borrowings, staff loan, retention receivable, contract liability and fair value losses on financial assets at fair value through profit or loss, are recognised in the Statement of Profit or Loss..

"Interest expense is recorded as it accrues using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments through the expected life

of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial liability."

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 7.1 Net finance costs

For the year ended 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Finance income</b>				
Interest income on fixed deposits	17,222,892	67,942,295	-	45,870,735
Interest income on repurchase agreements	-	1,030,220	-	1,030,220
Other interest income	33,200,016	73,547,129	10,369,109	11,582,412
Foreign exchange gain	433,811,791	231,109,603	-	217,078,607
Interest Income on Promissory note	58,171,862	18,631,219	58,171,862	18,631,219
Dividend income on financial assets at fair value through profit or loss	427,427	2,670,701	427,427	2,670,701
	<b>542,833,988</b>	<b>394,931,167</b>	<b>68,968,398</b>	<b>296,863,894</b>
Interest income on retention receivable	50,649,989	79,334,374	50,649,989	79,334,374
Interest income on staff loans	11,494,585	17,302,560	11,494,585	17,302,560
Interest income on contract liability	15,730,773	130,012,485	15,730,773	130,012,485
<b>Total finance income</b>	<b>620,709,335</b>	<b>621,580,586</b>	<b>146,843,745</b>	<b>523,513,313</b>
<b>Finance costs</b>				
Interest on finance leases	(26,670,337)	(29,287,250)	(10,933,440)	(10,931,883)
Interest on bank overdraft	(25,115,223)	(51,060,900)	(1,443,465)	(22,988,544)
Interest on debenture	-	(35,098)	-	(35,098)
Interest on bank loan	(1,861,486,380)	(2,479,219,007)	(1,263,910,534)	(1,835,070,366)
Foreign exchange lose	(137,837,616)	-	(135,764,351)	-
Reversal of interest income	-	(63,207,660)	-	(63,207,660)
Fair value adjustment on other receivable	(141,967,992)	-	(774,330,852)	-
Net change in fair value of financial assets at FVTPL	(36,125,024)	(98,501,327)	(36,125,024)	(98,501,327)
	<b>(2,229,202,572)</b>	<b>(2,721,311,242)</b>	<b>(2,222,507,666)</b>	<b>(2,030,734,878)</b>
Unwinding of prepaid retention receivable expenses	(50,649,989)	(79,334,374)	(50,649,989)	(79,334,374)
Unwinding of prepaid staff loan expenses	(11,494,585)	(17,302,560)	(11,494,585)	(17,302,560)
Unwinding of significant financing component	(46,692,547)	(168,916,471)	(46,692,547)	(168,916,471)
<b>Total finance costs</b>	<b>(2,338,039,693)</b>	<b>(2,986,864,647)</b>	<b>(2,331,344,787)</b>	<b>(2,296,288,283)</b>
<b>Net finance costs</b>	<b>(1,717,330,358)</b>	<b>(2,365,284,061)</b>	<b>(2,184,501,042)</b>	<b>(1,772,774,970)</b>

## 8. PROFIT BEFORE TAX

### Accounting policy

#### Expenditure recognition

Expenses are recognised in the Statement of Profit or Loss 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 Statement of Profit or Loss.

For the purpose of presentation of Statement of Profit or Loss, the Directors are of the opinion that "function of expenses" method presents fairly the elements of the enterprise's performance; hence such presentation method is adopted.

#### 8.1 Profit before tax is stated after charging all expenses including following:

For the year ended 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Auditors' remuneration - statutory audit & related services	16,257,303	13,062,599	4,950,000	4,500,000
Auditors' remuneration - non-audit services	3,300,000	1,129,400	900,000	900,000
Net change in fair value of financial assets at FVTPL	36,125,024	98,501,327	36,125,024	98,501,327
Write-off/ provision for of trade receivables	418,302,503	90,753,079	381,665,368	26,016,517
Provision for / (reversal of) of retention receivables	-	(5,564,342)	-	5,143,956
Provision for/(reversal of) write off of inventories	19,589,411	(23,683,581)	4,285,769	(2,078,008)
Impairment of Investment in subsidiaries	-	-	102,997,155	61,515,315
Donations	11,542,559	3,572,093	3,438,654	2,759,093
Staff expenses (Note 8.1.1)	2,935,534,438	2,459,861,163	2,503,735,557	2,023,342,371
CSR expense	4,250,410	91,750	250,000	91,750
Depreciation of property, plant and equipment (Note 11.1/11.2)	1,067,319,005	1,115,932,107	786,367,862	869,633,946
Amortisation and impairment of intangible assets (Note 14.1)	8,081,846	18,211,837	5,159,159	13,635,480
Amortisation of right-of-use-assets (Note 12.1)	91,495,164	101,944,149	7,197,974	7,197,974
Loss on asset write-off	342	3,310	342	3,310
<b>8.1.1 Staff expenses</b>				
Defined benefit plan costs - Gratuity (Note 27.1)	84,690,187	65,992,461	70,025,759	51,379,212
Defined contribution plan costs - EPF	112,218,823	91,291,775	93,688,530	72,761,482
Defined contribution plan costs - ETF	31,363,217	26,127,346	23,422,132	18,186,261
Directors' emoluments and fees (Note 29.1.3)	66,429,004	89,205,000	53,470,094	71,475,000
Staff cost	2,640,833,207	2,187,244,581	2,263,129,042	1,809,540,416
	2,935,534,438	2,459,861,163	2,503,735,557	2,023,342,371

As at 31 March	Group		Company	
	2025	2024	2025	2024
Number of employees	2,083	1,934	1,574	1,277

# NOTES TO THE FINANCIAL STATEMENTS

## 9. INCOME TAX

### Accounting policy

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other Comprehensive Income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes and therefore accounted for them under LKAS 37 - "Provisions, Contingent Liabilities and Contingent Assets".

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Current tax relating to items recognised directly in equity is recognised in equity and not in the statement of Profit or Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### IFRIC 23 - "Uncertainty over income tax treatments"

IFRIC 23 - 'Uncertainty over income tax treatments' provides guidance on determining taxable profits, tax bases, unused tax credits and tax rates when there is an uncertainty over the income tax treatment and Group adopted above interpretation from 01 April 2019.

No provision has been recognised to the financial year 2023/24 and 2024/25.

### Deferred taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- » temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- » temporary differences related to investments in Subsidiaries, Associates and Joint Arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- » taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Significant judgments relating to deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

### Transfer pricing

As prescribed in Inland Revenue Act No. 24 of 2017 and gazette notification on transfer pricing Group and Company have complied with the arm's length principles relating to transfer pricing.

**Sales tax**

Expenses and assets are recognised net of the amount of sales tax, except:

- » When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax

is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- » When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

**9.1 The major components of income tax expense for the years ended 31 March 2025 and 2024 are:**

For the year ended 31 March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Current income tax:</b>					
Current income tax charge	9.2	2,151,151,809	704,675,611	2,081,242,349	633,861,309
Under provision in prior year		13,477,595	129,486,762	-	48,766,404
<b>Deferred tax:</b>					
Relating to origination and reversal of temporary differences	9.4	(672,198,183)	(3,383,145,886)	(503,248,429)	(32,808,065)
<b>Income tax expense/(reversal) reported in the Statement of Profit or Loss</b>		<b>1,492,431,221</b>	<b>(2,548,983,513)</b>	<b>1,577,993,920</b>	<b>649,819,648</b>
<b>Consolidated statement of other comprehensive income</b>					
<b>Deferred tax related to items recognised in other comprehensive income during in the year:</b>					
Net loss / (gain) on actuarial gains and losses		(7,081,118)	(35,944,482)	(6,000,089)	(32,710,071)
Net loss / (gain) on revaluation of land and building		-	-	-	-
<b>Deferred tax charged to Comprehensive Income</b>	9.4	<b>(7,081,118)</b>	<b>(35,944,482)</b>	<b>(6,000,089)</b>	<b>(32,710,071)</b>

The Group income tax reversal (2023/24) mainly due to the differed tax impact as per the Inland Revenue act number 24 of 2017 refers to a 100% enhanced capital allowance recoverable against the future unrelieved loss of Access Logistic Park Ekala (Private) Limited, a fully owned subsidiary of company.

# NOTES TO THE FINANCIAL STATEMENTS

## 9.2 Reconciliation between accounting profit and current tax expense

For the year ended 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Accounting profit before tax	7,783,529,057	4,304,570,826	6,125,406,764	2,194,760,371
Aggregate non-deductible expenses	4,930,822,233	2,555,460,658	2,441,106,148	1,494,240,122
Aggregate allowable items	(5,985,083,754)	(2,805,529,547)	(488,022,673)	(1,031,464,009)
Current year tax losses not utilized	2,541,917,718	37,216,981	-	-
Tax losses set-off against the current taxable income (9.2.1)	(582,527,451)	(901,203,247)	-	-
<b>Total statutory income</b>	<b>8,688,657,802</b>	<b>3,190,515,671</b>	<b>8,078,490,239</b>	<b>2,657,536,484</b>
Exempted income	(669,674,621)	(488,045,601)	(669,674,621)	(487,564,088)
<b>Taxable income</b>	<b>8,018,983,181</b>	<b>2,702,470,070</b>	<b>7,408,815,618</b>	<b>2,169,972,396</b>
Taxable income at 2%	404,074,315	317,624,996	-	-
Taxable income at 30%	6,672,226,618	2,270,642,340	6,466,133,373	2,055,769,663
Dividend tax at 15%	942,682,248	114,202,735	942,682,245	114,202,733
	8,018,983,181	2,702,470,070	7,408,815,618	2,169,972,396
Tax @ 2%	8,081,486	6,352,500	-	-
Tax @ 30%	2,001,667,986	681,192,702	1,939,840,012	616,730,899
Dividend tax @ 15%	141,402,337	17,130,409	141,402,337	17,130,410
<b>Current income tax charge</b>	<b>2,151,151,809</b>	<b>704,675,611</b>	<b>2,081,242,349</b>	<b>633,861,309</b>

### 9.2.1 Tax loss reconciliation

As at 31st March	Group	
	2025 LKR	2024 LKR
Tax losses brought forward	17,485,570,971	4,638,662,582
Adjustments to tax loss brought forward and tax losses arising during the year	3,112,550,313	13,748,111,637
Utilization of tax losses	(582,527,451)	(901,203,247)
Tax losses carried forward	20,015,593,833	17,485,570,971

Tax losses mainly generated from Access Logistic Park Ekala (Private) Limited and W U S logistic ( Private) Limited, Detailed note of income and deferred tax rates are disclosed on Note No 9.6.

### 9.3 Current tax liabilities / (assets)

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	188,552,527	198,025,931	310,525,394	221,044,343
Provision made during the year (Note 9.2)	2,151,151,809	704,675,611	2,081,242,349	633,861,309
Adjustments for the prior year	13,477,595	129,486,762	-	48,766,404
Payments made during the year	(894,831,194)	(667,549,468)	(824,938,152)	(562,417,577)
WHT recoverable	(338,458,979)	(176,086,308)	(150,512,398)	(30,729,085)
<b>Balance at the end of the year</b>	<b>1,119,891,758</b>	<b>188,552,527</b>	<b>1,416,317,193</b>	<b>310,525,394</b>

#### Made-up as follows

Current tax assets	(319,904,331)	(153,847,647)	-	-
Current tax liabilities	1,439,796,089	342,400,174	1,416,317,193	310,525,394
	1,119,891,758	188,552,527	1,416,317,193	310,525,394

### 9.4 Deferred tax liabilities / (assets)

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	(811,769,153)	2,607,321,215	317,205,513	382,723,649
Expense for the year recognized in profit or loss	(672,198,183)	(3,383,145,886)	(503,248,429)	(32,808,065)
Expense for the year recognized in OCI	(7,081,118)	(35,944,482)	(6,000,089)	(32,710,071)
<b>Balance at the end of the year</b>	<b>(1,491,048,455)</b>	<b>(811,769,153)</b>	<b>(192,043,005)</b>	<b>317,205,513</b>
<b>Made-up as follows</b>				
Deferred tax assets	(4,786,845,070)	(4,194,961,691)	(192,043,005)	-
Deferred tax liabilities	3,295,796,615	3,383,192,538	-	317,205,513
	(1,491,048,455)	(811,769,153)	(192,043,005)	317,205,513

# NOTES TO THE FINANCIAL STATEMENTS

## 9.5 Deferred tax provision as at the year end is made up as follows:

As at 31st March	2025		2024	
	Temporary difference	Tax effect on temporary difference	Temporary difference	Tax effect on temporary difference
	LKR	LKR	LKR	LKR
<b>Group</b>				
Accelerate depreciation for tax purpose	2,414,937,374	724,481,212	1,226,144,810	367,843,443
Revaluation of land and building to fair value	511,921,112	153,576,333	386,325,192	115,897,557
Revaluation of investment property to fair value	14,263,647,587	4,279,094,276	14,207,296,325	4,262,188,897
Leasehold land and buildings (right-of-use-assets)	280,533,537	84,160,062	417,524,811	125,257,444
Provision for impairment of trade & retention receivables	(973,576,148)	(292,072,845)	(697,934,366)	(209,380,309)
Provision for impairment of related party receivable	(637,444,235)	(191,233,271)	(5,081,375)	(1,524,413)
Provision for inventories	(32,894,698)	(6,308,766)	(11,636,707)	(3,491,012)
Unrealized exchange gain	(128,489,256)	(38,546,777)	-	-
Defined benefit obligations	(438,156,130)	(131,446,838)	(365,111,171)	(109,533,353)
Lease liabilities	(226,912,305)	(68,073,691)	(377,853,717)	(113,356,116)
Unutilized tax losses	(20,015,593,833)	(6,004,678,150)	(17,485,570,971)	(5,245,671,291)
	(4,982,026,995)	(1,491,048,455)	(2,705,897,169)	(811,769,153)

## Company

Accelerate depreciation for tax purpose	945,142,714	283,542,814	950,166,411	285,049,923
Revaluation of land and building to fair value	223,990,314	67,197,094	223,990,314	67,197,094
Revaluation of investment property to fair value	185,599,500	55,679,850	614,599,500	184,379,850
Leasehold land and buildings (right-of-use-assets)	189,546,638	56,863,992	226,550,955	67,965,287
Lease liabilities	(128,589,647)	(38,576,894)	(117,656,206)	(35,296,862)
Provision for impairment of trade & retention receivables	(910,097,409)	(273,029,223)	(528,432,041)	(158,529,612)
Provision for impairment of related party receivable	(637,444,235)	(191,233,271)	(5,081,375)	(1,524,413)
Unrealized exchange gain	(128,489,256)	(38,546,777)	-	-
Defined benefit obligations	(379,801,968)	(113,940,590)	(306,785,839)	(92,035,754)
	(640,143,348)	(192,043,005)	1,057,351,720	317,205,513

## Unutilized tax losses

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available in the foreseeable future, against which such deductible temporary timing differences could be utilised. The deferred tax effect on undistributed reserves of subsidiaries has not been recognised where the parent can control the timing of the reversal of these temporary differences.

## 9.6 Applicable rates of income tax

### Company

Corporate Income Tax of Company has been computed in accordance with the Inland Revenue Act No. 14 of 2017 and its amendments there to.

The Company has used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 1 October 2022) for income and deferred taxation. Accordingly, income tax rates standard rate of 30% has been used for profits of all segments for the year. The Rate of 30% has been used for Deferred Tax. The resultant impact has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

### Subsidiaries

#### Access Realties (Private) Limited

As per the agreement entered into with the Board of Investment (BOI) of Sri Lanka, under Section 17 of the BOI Act No. 04 of 1978, Access Realties (Private)

Limited is exempted from Income Tax for the period of seven (07) years from the year of assessment in which the enterprise commences to make profit in relation to the transactions in that year or any year of assessment not later than five (05) years reckoned from the date of its operations whichever year is earlier. Accordingly, the seven (07) years Income Tax exemption period has commenced on 01 April 2003.

In accordance with the agreement entered into with the BOI of Sri Lanka, the Company is liable for Income Tax at 2% on its revenue for next fifteen (15) years immediately following the Seven (07) years Tax exemption period. On that basis, the revenue arising from the business shall be taxed at 2% during the concessionary rate period covering 01 April 2010 to 31 March 2025.

As per the provisions of new Inland Revenue Act No. 24 of 2017 and amendments thereto, the Company has recognised Deferred Tax Liability on business assets (Land and Buildings) at 30% amounting to LKR 1,357,855,794/- as at 31 March 2025 (2024 - LKR 1,352,998,468/-) because the management is under the impression that the assets will not be disposed prior to the expiration of BOI Tax exempted period.

#### **Access Realities 2 (Private) Limited**

According to the agreement entered into with the Board of Investment of Sri Lanka under Sec. 17 (A) of Inland Revenue (Amendment) Act No. 08 of 2012, the Company shall qualify for a tax exemption period of 12 years subject to the condition that over of Rs. 2,500 Mn is made in the project within a period of 3 years from the date of 04 April 2013.

Accordingly, the profit arising from the business is exempt from income tax for the period covering 01 April 2017 to 31 March 2029.

As per the provisions of new Inland Revenue Act No. 24 of 2017 and amendments thereto, the Company has recognised Deferred Tax Liability on business assets (Building) at 30% amounting to LKR 1,831,190,650/- as at 31 March 2025 (2024 - LKR 1,665,159,179/-) because the management is under the impression that the asset will not be disposed prior to the expiration of BOI tax exempted period.

#### **ARL Elevate (Private) Limited**

In accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto, the Company is liable for income tax at 30%. Deferred tax assets have not been recognized in the financial statements as at 31 March 2025 because the Board of Directors is of the opinion that the deferred tax assets would not be crystallized in the foreseeable future.

As per the provisions of new Inland Revenue Act No.24 of 2017 and amendments thereto, the standard rate for corporate tax of ARL Elevate (Private) Limited is 30%.

#### **Sathosa Motors PLC and its Subsidiary**

Income tax expense has been computed according to the provisions of the Inland Revenue Act No.24 of 2017 and its amendments thereto. Accordingly, the tax rate of 30% has been considered as at reporting date for the computation of current and deferred tax computation in these Financial Statements for the year ended 31 March 2025 and 31 March 2024.

#### **Access Projects (Private) Limited**

The Company has used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 1 October 2022) for income and deferred taxation. Accordingly, income tax rates standard rate of 30% has been used for profits of all segments for the year. The Rate of 30% has been used for Deferred Tax..

Access Projects (Private) Limited has recognised a LKR 79,330,351/- as at 31 March 2025 (2024 - LKR 56,179,943/-) as a deferred tax asset on the deductible temporary arising from the tax losses, tax defined benefit obligations, obsolete stocks, debtor impairment.

#### **Harbour Village (Private) Limited**

The Company has entered into an agreement with BOI for ten (10) years tax holiday period during the year ended 31 March 2017, and the provisions of the Inland Revenue Act No. 24 of 2017 relating to the imposition, payment and recovery of income tax in respect of the profits and income of the enterprise shall not apply to the profits and income of the enterprise for the year ended 31 March 2025.

For the above purpose the year of assessment shall be commencing from the year of assessment in which the enterprise commences to make a profit or any year of assessment not later than two years reckoned from the date of commencement of commercial operations or production whichever is earlier.

The Company's liability to taxation has been computed in accordance with the provisions of the Inland Revenue Act No. 24 of 2017, and amendments thereto. Other income of Company is taxable at 30%.

Deferred tax liability on Business Assets has been recognized as at reporting date because the management is under the impression that the asset will not be disposed prior to the expiration of BOI exemption period.

#### **WUS Logistics (Private) Limited**

"The Company has used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 1 October 2022) for income and deferred taxation. Accordingly, income tax standard rate of 30% has been used for profits of all segments for the year. The Rate of 30% has been used for Deferred Tax.

The Company entered in to an Agreement with the Board of Investment of Sri Lanka as per the section 17 of Board of Investment law number 4 of 1978 . As per the Inland Revenue act number 24 of 2017 the Company shall qualify for a 100% enhanced capital allowance and any unrelieved losses can be deducted when computing income from business for ten(10) succeeding years.

The Company has recognized unutilized tax loss amounting of LKR 3,961,106,305/= as at 31 March 2025 (2024- LKR 4,332,782,223/-) mainly due to the enhanced capital allowance claimed in computing assessable income.

#### **Lanka AAC (Private) Limited**

"The Company has used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 1 October 2022) for income and deferred taxation. Accordingly, income tax rates standard rate of 30% has been used for profits of all segments for the year. The Rate of 30% has been used for Deferred Tax.

# NOTES TO THE FINANCIAL STATEMENTS

## Access Logistics (Private) Limited

"The Company has used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified on 19 December 2022, (with retrospective effect from 1 October 2022) for income and deferred taxation. Accordingly, income tax standard rate of 30% has been used for profits of all segments for the year. The Rate of 30% has been used for Deferred Tax.

## Access Logistics Park Ekala (Private) Limited

"The Company has used the new tax rate introduced by the Inland Revenue (Amendment) Act No. 45 of 2022 certified

on 19 December 2022, (with retrospective effect from 1 October 2022) for income and deferred taxation. Accordingly, income tax rates standard rate of 30% has been used for profits of all segments for the year. The Rate of 30% has been used for Deferred Tax.

The Company entered in to an Agreement with the Board of Investment of Sri Lanka as per the section 17 of Board of Investment law number 4of 1978 . As per the Inland Revenue act number 24 of 2017 the Company shall qualify for a 100% enhance capital allowance and any unrelieved loss can be deducted when computing income from business for ten succeeding years.

The Company has recognized unutilized tax loss amounting of LKR 15,403,419,734/= as at 31 March 2025 (2024 - LKR 12,801,954,313/-) mainly due to the enhanced capital allowance of claimed in computing assessable income.

## 10. EARNINGS PER SHARE

### Accounting policy

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic earning per share calculation.

For the year ended 31 March	Group		Company	
	2025	2024	2025	2024
Profit attributable to ordinary equity holders of the parent (LKR)	6,310,062,416	6,860,884,579	4,547,412,844	1,544,940,723
Weighted average number of ordinary shares of the parent	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Basic earnings per share (LKR)	6.31	6.86	4.55	1.54

## 10.1 Diluted earnings per share

Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent (after adjusting outstanding share option scheme and warrants) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potentially dilutive ordinary share outstanding at any time during the year/ previous year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these Financial Statements.

## 11. PROPERTY PLANT AND EQUIPMENT

### Accounting policy

Property, plant and equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purpose and are expected to be used during more than one period. The Group

applies the requirements of LKAS 16 in accounting of property, plant and equipment.

### Recognition and measurement

Property, plant and equipment are recognized if it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be reliably measured.

Items of property, plant and equipment including construction in progress are stated at cost/revaluation less accumulated depreciation and accumulated impairment losses, if any.

### Owned assets

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and subsequent cost. The cost of self-constructed assets includes the cost of materials, direct labor, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes the cost of dismantling and removing the items and restoring in the site on which they are located and borrowing costs on qualifying assets.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

Purchased software that is integrated to the functionality of the related equipment is capitalized as part of equipment.

When significant part of property, plant and equipment are required to be replaces at intervals, the Group derecognised the replaced part and recognises the new part with its own associated useful life and depreciation. Likewise when a major inspection is performed, its cost is recognised in the carrying amount of plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

### Leased assets

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial

recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

### Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day to day repair and maintenance are recognized in the Statement of Profit or Loss as incurred.

The carrying value of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

### Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

### Revaluation

Revaluation is performed on freehold land and building by professionally qualified valuers using the open market value at least once in every three years or when there is a substantial difference between the fair value and the carrying amount, to ensure that the fair value does not differ materially from its carrying amount.

A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus in equity.

However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

### Depreciation

Depreciation is recognized in profit or loss on straight-line basis over the estimated useful lives of each part of item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. 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 (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized. Depreciation is not charged on Freehold Land and capital work in progress.

The estimated useful lives are as follows:

Asset Category	Useful Life
Freehold building	15 - 50 years
Leasehold building	8-30 years
Plant and machinery	3 - 15 years
Motor vehicles	4 - 10 years
Leasehold Motor vehicles	5 years

Asset Category	Useful Life
Office equipment	3 - 12 years
Furniture & fittings	3 - 13 years
Tools	3 - 8 years
Other construction equipment	5 years

The residual value, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### Capital work in progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as capital work in progress, whilst the capital assets which have been completed during the year and available to use have been transferred to property, plant and equipment.

### Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve. Any loss is recognised in profit or loss. However, to extent that an amount is included in the revaluation surplus for that property, the loss is recognized in OCI and reduces the revaluation surplus within the equity.

# NOTES TO THE FINANCIAL STATEMENTS

## RECONCILIATION OF BEGINNING AND ENDING BALANCES BY CLASSES OF ASSETS

### 11.1 Group

						Freehold
	Land	Building	Plant and machinery	Motor vehicles	Office equipment	
	LKR	LKR	LKR	LKR	LKR	
<b>Cost or Valuation</b>						
Balance at 01 April 2023	787,393,210	746,459,733	7,081,011,592	1,620,221,669	786,541,940	
Additions	-	-	190,545,960	-	13,293,686	
Disposals/derecognitions and adjustments	-	-	(82,310,180)	(116,943,509)	(3,561,590)	
<b>Balance at 31 March 2024</b>	<b>787,393,210</b>	<b>746,459,733</b>	<b>7,189,247,372</b>	<b>1,503,278,160</b>	<b>796,274,036</b>	
Additions	524,865,100	476,623,097	3,161,738,098	47,421,695	74,937,902	
CWIP Transfer to / (From)	-	57,243,042	-	-	-	
Disposals/derecognitions and adjustments	(365,000,000)	(102,031,563)	(285,812,401)	(4,226,378)	(5,580,306)	
<b>Balance at 31 March 2025</b>	<b>947,258,310</b>	<b>1,178,294,309</b>	<b>10,065,173,069</b>	<b>1,546,473,477</b>	<b>865,631,632</b>	
<b>Accumulated Depreciation and Impairment Losses</b>						
Balance at 01 April 2023	-	155,438,429	4,914,219,805	1,032,938,072	637,079,480	
Depreciation charge for the year	-	53,616,929	487,702,971	138,461,629	78,097,039	
Disposals/derecognition	-	-	(82,310,039)	(102,351,747)	(3,225,737)	
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>209,055,358</b>	<b>5,319,612,737</b>	<b>1,069,047,954</b>	<b>711,950,782</b>	
Depreciation charge for the year	-	65,053,544	506,511,162	124,723,375	51,887,312	
Disposals/derecognitions and adjustments	-	(2,031,563)	(280,992,278)	(4,226,359)	(6,657,131)	
<b>Balance at 31 March 2025</b>	<b>-</b>	<b>272,077,339</b>	<b>5,545,131,621</b>	<b>1,189,544,970</b>	<b>757,180,963</b>	
<b>Carrying value</b>						
<b>At 31 March 2025</b>	<b>947,258,310</b>	<b>906,216,970</b>	<b>4,520,041,448</b>	<b>356,928,507</b>	<b>108,450,669</b>	
At 31 March 2024	787,393,210	537,404,375	1,869,634,635	434,230,206	84,323,254	

The Group property, plant and equipment with a cost of LKR. 6,185 Mn (2024 - LKR. 5,720 Mn) have been fully-depreciated and continue to be in use by the Group.

There were no capitalized borrowing costs related to the acquisition of property, plant and equipment during the year 2024/25 (2023/24- Nil).

### Capital work in progress

Capital work in progress includes, construction cost incurred for the construction of factory building of Lanka AAC (Private) Limited and under construction of workshop building of Access Motors (Private) Limited.

### Property, plant and equipment pledged as security

Property pledged as securities against loans and borrowings are described in Note 26.3

	Furniture and fittings LKR	Tools LKR	Other construction equipment LKR	Leasehold		Capital work-in-progress LKR	Total LKR
				Building LKR	Motor Vehicles LKR		
	513,719,817	1,201,584,268	779,476,707	660,302,072	4,000,000	114,656,523	14,295,367,531
	7,526,775	41,956,149	-	1,295,179,767	10,839,900	130,681,806	1,690,024,043
	(1,328,952)	(2,990,288)	(7,120,613)	-	(4,000,000)	-	(218,255,132)
	519,917,640	1,240,550,129	772,356,094	1,955,481,839	10,839,900	245,338,329	15,767,136,442
	31,129,079	47,847,740	646,750	15,432,334	-	149,115,706	4,529,757,500
	-	-	-	194,974,831	-	(252,217,873)	-
	(9,562,581)	(61,414,452)	(123,156,069)	-	-	-	(956,783,751)
	<b>541,484,138</b>	<b>1,226,983,417</b>	<b>649,846,775</b>	<b>2,165,889,004</b>	<b>10,839,900</b>	<b>142,236,162</b>	<b>19,340,110,191</b>
	383,427,510	981,833,557	399,379,899	218,769,395	2,533,340	-	8,725,619,487
	52,192,424	128,593,141	104,390,114	70,819,606	2,058,254	-	1,115,932,107
	(1,142,499)	(2,731,244)	(3,412,838)	-	(3,266,670)	-	(198,440,774)
	434,477,435	1,107,695,454	500,357,175	289,589,001	1,324,924	-	9,643,110,820
	43,317,183	86,508,185	98,212,843	91,105,403	-	-	1,067,319,005
	(5,522,153)	(61,437,988)	(123,155,977)	(6,356)	-	-	(484,029,804)
	472,272,465	1,132,765,651	475,414,041	380,688,048	1,324,924	-	10,226,400,021
	<b>69,211,673</b>	<b>94,217,766</b>	<b>174,432,734</b>	<b>1,785,200,956</b>	<b>9,514,976</b>	<b>142,236,162</b>	<b>9,113,710,170</b>
	85,440,205	132,854,676	271,998,920	1,665,892,838	9,514,976	245,338,329	6,124,025,620

### Impairment

The Management has assessed the potential impairment loss of property, plant and equipment as at 31 March 2025. Based on the assessment, the Group does not foresee any indications of impairment as at the reporting date due to the economic uncertainties, and functions under the business continuity plan as per the Group's risk management strategy.

There were no restrictions existed on the title of the assets of the Group as at the reporting date.

There are no temporarily idle assets as at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

## 11.2 Company

						Freehold
	Land	Building	Plant and machinery	Motor vehicles	Office equipment	
	LKR	LKR	LKR	LKR	LKR	

### Cost or Valuation

Balance at 01 April 2023	294,000,000	94,912,243	6,316,476,815	1,433,485,617	530,661,233
Additions	-	-	124,007,888	-	4,326,679
Disposals / Derecognition	-	-	(82,310,180)	(59,354,000)	(1,929,990)
Revaluation	-	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>294,000,000</b>	<b>94,912,243</b>	<b>6,358,174,523</b>	<b>1,374,131,617</b>	<b>533,057,922</b>
Additions	-	-	187,054,353	7,811,695	40,797,295
CWIP Transfer to / (From)	-	57,243,042	-	-	-
Disposals / Derecognition	-	-	(253,119,350)	(4,226,378)	(2,401,391)
<b>Balance at 31 March 2025</b>	<b>294,000,000</b>	<b>152,155,285</b>	<b>6,292,109,526</b>	<b>1,377,716,934</b>	<b>571,453,826</b>

### Accumulated Depreciation and Impairment Losses

Balance at 01 April 2023	-	12,280,462	4,539,591,068	891,766,332	449,172,910
Depreciation charge for the year	-	11,108,951	410,809,262	125,581,834	53,723,437
Disposals / derecognition	-	-	(82,310,039)	(58,825,231)	(1,926,907)
Transfers (from revaluation adjustment)	-	-	-	-	-
<b>Balance at 31 March 2024</b>	<b>-</b>	<b>23,389,413</b>	<b>4,868,090,291</b>	<b>958,522,935</b>	<b>500,969,440</b>
Depreciation charge for the year	-	12,492,501	407,535,106	108,194,348	28,021,218
Disposals / derecognition	-	-	(250,984,827)	(4,226,359)	(2,401,356)
<b>Balance at 31 March 2025</b>	<b>-</b>	<b>35,881,914</b>	<b>5,024,640,570</b>	<b>1,062,490,924</b>	<b>526,589,302</b>

### Carrying value

<b>At 31 March 2025</b>	<b>294,000,000</b>	<b>116,273,371</b>	<b>1,267,468,956</b>	<b>315,226,010</b>	<b>44,864,524</b>
At 31 March 2024	294,000,000	71,522,830	1,490,084,230	415,608,682	32,088,482

The company property, plant and equipment with a cost of LKR. 5,530 Mn (2024- LKR. 5,070 Mn) have been fully-depreciated and continue to be in use by the Company.

### Property, plant and equipment pledged as security

As at reporting date property, plant and equipment have not been pledged by the Company as securities against facilities obtained from banks.

### Leashold building

Leashold building represents the value of building of the company in a leasehold land of UDA for 30 years period.

	Furniture and fittings	Tools	Other construction equipment	Leasehold Building	Capital work -in-progres	Total
	LKR	LKR	LKR	LKR	LKR	
	176,380,008	1,091,106,726	775,768,954	-	-	10,712,791,596
	2,304,884	37,510,081	-	1,283,965,558	57,243,042	1,509,358,132
	(515,267)	(2,295,119)	(3,412,860)	-	-	(149,817,416)
	-	-	-	-	-	-
	178,169,625	1,126,321,688	772,356,094	1,283,965,558	57,243,042	12,072,332,312
	6,751,310	41,469,521	-	12,718,963	-	296,603,137
	-	-	-	-	(57,243,042)	-
	(796,258)	(57,343,771)	(123,156,069)	-	-	(441,043,217)
	184,124,677	1,110,447,438	649,200,025	1,296,684,521	-	11,927,892,232
	158,795,636	914,375,637	397,727,643	-	-	7,363,709,688
	13,494,033	116,134,380	104,390,114	34,391,935	-	869,633,946
	(515,224)	(2,295,085)	(3,412,838)	-	-	(149,285,324)
	-	-	-	-	-	-
	171,774,445	1,028,214,932	498,704,919	34,391,935	-	8,084,058,310
	5,349,044	80,761,835	98,157,898	45,855,913	-	786,367,862
	(796,236)	(57,343,590)	(123,155,977)	-	-	(438,908,344)
	176,327,253	1,051,633,177	473,706,840	80,247,848	-	8,431,517,828
	7,797,424	58,814,261	175,493,185	1,216,436,673	-	3,496,374,404
	6,395,179	98,106,755	273,651,176	1,249,573,623	57,243,042	3,988,274,002

# NOTES TO THE FINANCIAL STATEMENTS

## 11.3 Revaluation of Land and Building

### Company

The freehold land and buildings of the Company were revalued as at 31 March 2023 by Mr. K T D Tissera – FIV (Sri Lanka), F.R.I.C.S. (Eng) an independent professional valuer on an open market value for existing use basis.

### Subsidiaries

The freehold land and buildings of Access Projects (Private) Limited were revalued as at 31 March 2023 by Mr. K.T.D. Tissera - F. I. V (Sri Lanka), F. R. I. C. S. (Eng.) an independent professional valuer on a depreciated replacement cost basis for buildings and market value basis for land as at the date of revaluation.

Details of Group's land and building stated at valuation are indicated below;

Location	Extent	Building square feet	Number of buildings	Valuation technique	Significant unobservable input			
					Estimated price per perch LKR	Estimated price per square feet LKR	Fair value LKR Mn.	Correlation to fair value
<b>Access Engineering PLC</b>								
Land depicted at No.236/1, Low Level Road, Jalthara, Ranala.	3 R and 38.4 P	9,070	1	Open market value basis	500,000	750-1500	90	Positive
Land depicted at No, 78, Alubogahalanda, Jalthara, Ranala.	3 A 2 R and 39.42 P	36,572	1	Open market value basis	200,000 - 250,000	1000 - 1750	202	Positive
Land depicted at Weliwita, Kaduwela.	2 A	-	-	Open market value basis	200,000	-	64	Positive
Land depicted at Divigalahena, Pananwela, Hakmana.	10 A	-	-	Open market value basis	62,500	-	10	Positive
<b>Access Projects (Private) Limited</b>								
Land depicted at No: 278, Kekulanvila road, Jalthara, Ranala.	2 A 2 R and 1.28 P	50,748	1	Depreciated replacement cost basis for buildings and open market value basis for land	125,000 - 225,000	600 - 3000	215	Positive
Land depicted at No. 281, Kekulanvila road, Jalthara, Ranala.	20 P	1,506	1	Open market value basis	250,000	1500 - 3000	8.3	Positive
Land depicted at No. 301/1/C, Jalthara, Ranala.	2 R and 14.65 P	2,508	1	Open market value basis	60,000	2,500	15	Positive

### Summary description of valuation methodologies

#### Open market value method (OMV)

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities such as business.

#### Depreciated replacement cost Method

Depreciated replacement cost method uses the current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

The fair value measurement for land and building has been categorised as level 3 fair value based on the input to the valuation technique used.

## 12. RIGHT OF USE ASSETS AND LEASES

### Accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Building	3 -10
Land	30

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

"In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on

short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts and the movements of the Group's right of use assets and Lease liabilities for the year ended 31 March 2025 and 2024.

# NOTES TO THE FINANCIAL STATEMENTS

## 12.1 Right-of-use-assets

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	2,885,686,982	2,847,657,112	215,939,209	215,939,209
Additions	6,555,750	38,029,870	-	-
Prior year adjustment	(93,570,810)	-	-	-
Disposal of prepaid lease rental	(26,588,441)	-	-	-
Balance at the end of the year	2,772,083,481	2,885,686,982	215,939,209	215,939,209
<b>Accumulated depreciation</b>				
Balance at the beginning of the year	274,958,552	173,014,403	19,194,596	11,996,623
Amortisation expense	91,495,164	101,944,149	7,197,974	7,197,974
Amortisation of disposal of prepaid lease rental	-	-	-	-
Balance at the end of the year	366,453,716	274,958,552	26,392,570	19,194,596
<b>Carrying value</b>				
As at 31 March	2,405,629,765	2,610,728,430	189,546,639	196,744,612

### 12.1.1 Right of use assets - Prepayment

Right of use assets- prepayment represents the amount of expenditure recognised for construction of car park and commercial building of the company in a lease land of UDA for 30 year period. The construction of car park has been completed and operated from July 2023. In addition to the building on leasehold land at right of use assets prepayment transfer to the Property Plant and Equipment amounting of Rs 12,718,964/=

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	9,017,304	1,237,084,632	9,017,304	1,237,084,632
Additions	3,701,660	55,898,230	3,701,660	55,898,230
Transfer to Building on lease hold land	(12,718,964)	(1,283,965,558)	(12,718,964)	(1,283,965,558)
<b>Balance at the end of the year</b>	-	9,017,304	-	9,017,304

## 12.2 Lease liabilities

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	267,255,609	263,713,174	117,656,206	106,724,323
Additions during the year	6,555,750	38,029,870	-	-
Adjustment/ Cancellation and Termination	(42,167,236)	-	-	-
Interest expense	26,670,337	29,644,362	10,933,440	10,931,883
Payments made during the year	(52,464,902)	(64,089,733)	-	-
Balance at the end of the Year	205,849,558	267,297,673	128,589,647	117,656,206
Interest in Suspense	-	(42,064)	-	-
<b>Balance at the end of the Year</b>	<b>205,849,558</b>	<b>267,255,609</b>	<b>128,589,647</b>	<b>117,656,206</b>
Payable within one year	78,569,029	89,043,717	31,408,608	8,732,440
Payable after one year	127,280,529	178,211,892	97,181,039	108,923,766
<b>Balance at the end of the Year</b>	<b>205,849,558</b>	<b>267,255,609</b>	<b>128,589,647</b>	<b>117,656,206</b>

## 12.3 Maturity analysis - contractual undiscounted cash flows

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Within the next 12 months	119,544,427	107,801,699	31,408,608	19,665,880
Between 1 and 2 years	106,759,640	106,759,640	11,742,728	11,742,728
Between 2 and 3 years	56,451,188	56,451,188	11,742,728	11,742,728
Between 3 and 4 years	52,310,836	52,310,836	11,742,728	11,742,728
Between 4 and 5 years	42,648,711	42,648,711	11,742,728	11,742,728
Beyond 5 years	276,232,792	288,543,520	249,848,864	262,159,592
	<b>653,947,594</b>	<b>654,515,594</b>	<b>328,228,384</b>	<b>328,796,384</b>

## 12.4 Amounts recognised in profit or loss on SLFRS 16 - Leases

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>2024/25 Lease under SLFRS 16</b>				
Amortisation of right-of-use assets	91,495,164	101,944,149	7,197,974	7,197,974
Interest expense on lease liabilities	26,670,337	29,602,298	10,933,440	10,931,883

# NOTES TO THE FINANCIAL STATEMENTS

## 12.5 Amounts recognized in cash flows for 2024/25 on SLFRS 16 - Leases

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Payment of lease liabilities	(52,464,902)	(64,089,733)	-	-

There were no right of use assets pledge by the Group and Company as security for facilities obtained from the Banks.

## 13 INVESTMENT PROPERTY

### Accounting policy

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in the production of supply of goods or services or for administrative purposes.

### Recognition and measurement

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on valuation performed by an accredited

external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties under construction is measured at cost until either its fair value becomes reliably measurable or construction is completed (which ever is earlier).

### Derecognition

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Where Group companies occupy a significant portion of the investment property of a subsidiary, such investment properties are treated as property, plant and equipment in the consolidated financial statements and accounted using Group accounting policy for property, plant and equipment.

### 13.1 Quantitative and qualitative disclosures of the investment property

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the Year	36,362,575,558	21,307,743,685	1,195,500,000	1,195,500,000
Additions/ Acquisitions	240,016,318	64,246,024	-	-
Transfer from investment properties- Work-in-progress (Note 13.3)	-	13,876,470,602	-	-
Gain on fair value changes	96,900,000	1,114,115,247	43,900,000	-
Disposal of investment property	-	-	(465,000,000)	-
Balance at the end of the Year	36,699,491,876	36,362,575,558	774,400,000	1,195,500,000
Rental income derived from investment property	2,982,461,938	2,760,480,141	3,301,127	18,456,300
Direct operating expenses (including repair and maintenance) generating rental income	380,923,451	409,193,118	-	-

### 13.2 Location, Extent and Valuation of Investment Properties

Fair value of the Property were ascertained by independent valuation carried out by Mr. K.T.D Tissera, FIV (Sri Lanka), F. R. I. C. S. (Eng.) and A.V.U. Wasantha, FIV (Sri Lanaka),M.R.I.C.S (Eng.)an independent professional valuers, on an open market value for existing use basis as at 31 March 2025.

Description of valuation techniques used and key inputs to valuation of investment properties;

Location	Extent	Method of valuation	Freehold Building Square Feet	Significant unobservable inputs						
				Estimated price per perch LKR	Estimated price per square feet	No of Buildings	Fair value LKR Mn.	Fair Value Gain LKR Mn	Correlation to Fair Value	
<b>Access Engineering PLC</b>										
Land depicted at No.267, Dehiwala Road, Maharagama.	3 R and 1 P	Open market value method	-	2,800,000	-	-	338	38	Positive	
Land depicted at Dickowita, Hendala.	2 A and 3.68 P	Open market value method	-	60,000	-	-	19.4	1.4	Positive	
Land depicted at Heeralugedara, Kotadeniyawa	50A 1 R and 8.7 P	Open market value method	-	51,875	-	-	417	4.5	Positive	
<b>Access Realities (Private) Limited</b>										
Land depicted at Nos.266, 268, 278 and 278/4 Dr. Colvin R De Silva Mawatha (Union Place) and No 116 and 118 Dawson street, Colombo 2	1 A 25.65 P	Contractor method	216,718	10,000,000 - 16,000,000	Rs.6,000 - Rs.11,000	1	5,000	-	Positive	
<b>Access Realities 2 (Private) Limited</b>										
30 Stories Buildings at No 116, 118, 264/5 and 278/4 Dawson street, Colombo 2	-	Investment method	404,403	12,500,000	Rs.18,000	1	7,350	-	Positive	
<b>Sathosa Motors PLC</b>										
Land depicted at No. 86, Vauxhall Street, Colombo 02	2 R 3.07 P	Contractor method	3,743	11,600,000	Rs. 4,000	1	925	53	Positive	
<b>Access Logistics (Private) Limited</b>										
Kimbulapitiya South, Kimbulapitiya, Negombo	1 A 3 R 31.3 P	Open market value method	-	-	-	-	90	-	Positive	
<b>WUS Logistics (Private) Limited</b>										
No.540, Maligagodella Watta, Kimbulapitiya	41 A 2 R 27.45 P	Open market value method	456,790	275,000 - 450,000	Rs. 3,000 - Rs 16,000	1	9,275	-	Positive	
Land depicted at Bogahawatta, Welamullawaththa	3 R 16.25 P	Open market value method	-	95,500	-	-	13	-	Positive	
<b>Access Logistic Park Ekala (Private) Limited</b>										
Land depicted at Ekala,Kuruduwaththa, Ja-Ela	36 A 1 R 27.6 P	Open market value method	661,287	475,000	Rs. 12,500 - Rs 20,000	1	13,836	-	Positive	

# NOTES TO THE FINANCIAL STATEMENTS

## Summary description of valuation methodologies

### Investment method

The investment method is used to value properties which are let to produce an income for the investor. Conventionally, investment value is a product of rent and yield. Each of these elements is derived using comparison techniques.

### Open market value method

Open market value method uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities or a group of assets and liabilities such as a business.

### Contractor method

The replacement cost (Contractor's) method is used to value properties

which do not generally exchange on the open market and for which comparable evidence therefore does not exist. The valuations are based on two components: the depreciated cost of the building element and the market value of the land. Current building costs and often the land price will be established by comparison.

## 13.3 Investment property - Work-in-progress

As at 31 March	Group	
	2025 LKR	2024 LKR
Balance at the beginning of the year	2,263,358,227	11,720,990,970
Additions	1,538,319,788	4,418,837,859
Transfer to Investment property	-	(13,876,470,602)
<b>Balance at the end of the year</b>	<b>3,801,678,015</b>	<b>2,263,358,227</b>

Investment property work-in-progress consists development of commercial area at No.250, Srimath Ramanathan Mawatha, Kotahena, Colombo 15 by Harbour Village (Private) Limited.

Investment property work in progress amounting of LKR 13,876,470,602/- for Access Logistic Park Ekala (Private) Limited has been transferred to investment property in 2023/24.

Investment properties under construction are measured at cost, in accordance with LKAS 40, paragraph 53.

## 14. INTANGIBLE ASSETS AND GOODWILL

### Accounting policy

#### Basis of recognition

An Intangible asset is recognised if it is probable that future economic benefits associated with the assets will flow to the Group and cost of the asset can be measured reliably.

<b>Goodwill</b>	Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.
<b>Research and development</b>	Expenditure on research activities is recognised in profit or loss as incurred.  Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.
<b>Other intangible assets</b>	Other intangible assets are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

### Basis of measurement

Intangible assets acquired separately are measured on initial recognition at cost. The costs of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the year in which the expenditure is incurred.

### Useful economic lives, amortisation and impairment

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life

and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with finite useful lives are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

#### Amortisation

Amortisation of intangible assets with a finite life is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date on which they are available for use.

The estimated useful lives are as follows:

Asset category	Amortisation period (Years)
Enterprise resource planning system	5 - 10 years
Other software	3 - 10 years

#### Net carrying value of goodwill

Goodwill arising on business combinations have been allocated to the following cash generating units (CGU's) for impairment testing.

As at	31.03.2025	31.03.2024
Sathosa Motors PLC	432,588,101	432,588,101
Harbour Village (Private) Limited	90,394,715	90,394,715
Lanka Acc (Private) Limited	2,413,066	2,413,066
	525,395,882	525,395,882

The recoverable amount of goodwill is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management. The key assumptions used are given below;

As at	31.03.2025	
	Business growth rate	Discount rate
Sathosa Motors PLC	4.21%	9.49%
Harbour Village (Private) Limited	-	13.33%
Lanka Acc (Private) Limited	8%	13.4%

The recoverable amounts of all cash generating units have been determined based on the fair value, less cost to sell or the value in use (VIU) calculation.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use (VIU). The fair value less costs to sell calculation is based on available data from an active market, in an arm's length transaction, of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Business growth – Based on the long term average growth rate for each business unit where applicable. The weighted average growth rate used is consistent with the industry growth rates.

Inflation – Based on current inflation rate.

Discount rate – Risk free rate adjusted for the specific risk relating to the industry.

Margin – Based on past performance and budgeted expectations.

#### Sensitivity to changes in key assumptions

Management has identified that a reasonable possible change in the two key assumptions namely, business growth rate and discount rate could cause the carrying amount to exceed the recoverable amount. Given below is the change required individually for each key assumptions, for the carrying amount to equate the recoverable amount.

Asset category	Business Growth rate decrease by`	Discount rate increase by
Sathosa Motors PLC	9.39%	10.5%
Harbour Village (Private) Limited	-	0.74%
Lanka Acc (Private) Limited	2.11%	2.25%

#### Derecognition of intangible assets

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 14.1 Reconciliation of beginning and ending balances by classes of assets

	Group				Company	
	Software LKR	Goodwill LKR	Contractual Relationships	Total LKR	Software LKR	Total LKR
<b>Cost / Revaluation</b>						
At 1 April 2023	202,174,268	1,182,012,008	-	1,384,186,276	142,017,832	142,017,832
Additions	3,597,604	-	-	3,597,604	-	-
At 31 March 2024	205,771,872	1,182,012,008	-	1,387,783,880	142,017,832	142,017,832
Additions	3,139,957	-	100,000,000	103,139,957	-	-
<b>At 31 March 2025</b>	<b>208,911,829</b>	<b>1,182,012,008</b>	<b>100,000,000</b>	<b>1,490,923,837</b>	<b>142,017,832</b>	<b>142,017,832</b>
<b>Accumulated amortisation and impairment losses</b>						
At 1 April 2023	149,240,366	656,616,126	-	805,856,492	98,429,677	98,429,677
Amortisation	18,211,837	-	-	18,211,837	13,635,480	13,635,480
At 31 March 2024	167,452,203	656,616,126	-	824,068,329	112,065,157	112,065,157
Amortisation	8,081,846	-	-	8,081,846	5,159,159	5,159,159
<b>At 31 March 2025</b>	<b>175,534,049</b>	<b>656,616,126</b>	<b>-</b>	<b>832,150,175</b>	<b>117,224,316</b>	<b>117,224,316</b>
Carrying value						
At 31 March 2025	<b>33,377,780</b>	<b>525,395,882</b>	<b>100,000,000</b>	<b>658,773,662</b>	<b>24,793,516</b>	<b>24,793,516</b>
At 31 March 2024	38,319,669	525,395,882	-	563,715,551	29,952,675	29,952,675

Software in intangible assets mainly consists of the SAP Enterprise Resource Planning system software and SAP user license acquired by the Company.

Intangible assets with a cost of LKR 146 Mn (2024 - LKR. 123 Mn) and LKR 102 Mn (2024- LKR. 82 Mn) have been fully amortised and continue to be in use by the Group and the company respectively.

There were no intangible assets pledge by the Group and the company as security for facilities obtained from the banks (2023/24 - Nil).

Access Medical Tracers (Private) Limited issued free shares to the Sri Lanka Atomic Energy Board and the Ministry of Health as part of strategic collaborations and regulatory facilitation. This has been presented under Contractual Relationships, reflecting the economic benefits and strategic partnerships established through these arrangements.

## 15. INVESTMENT IN SUBSIDIARIES

### Accounting policy

Investment in subsidiaries are initially recognised at cost in the financial statements of the Company. Any transaction cost relating to acquisition of investment in subsidiaries are immediately recognised in Profit or Loss. Following initial recognition, Investment in subsidiaries are carried at cost less any accumulated impairment losses. The net assets of each subsidiary are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated and the impairment loss is recognised to the extent of its net assets loss.

### 15.1 Total carrying amount

	2025 LKR	2024 LKR
Investment in subsidiaries - quoted (Note 15.2)	1,196,572,767	1,196,572,767
Investment in subsidiaries - unquoted (Note 15.3)	25,741,838,576	25,514,835,731
	<b>26,938,411,343</b>	26,711,408,498

## 15.2 Quoted Investments

	Company						
	Country of incorporation	2025			2024		
		Number of shares	Effective holding %	LKR	Number of shares	Effective holding %	LKR
Sathosa Motors PLC	Sri Lanka	5,093,745	84.42	1,196,572,767	5,093,745	84.42	1,196,572,767
Market value of quoted investment				2,229,786,874			1,018,749,000

## 15.3 Unquoted Investments

	Company						
	Country of incorporation	2025			2024		
		Number of shares	Effective holding %	LKR	Number of shares	Effective holding %	LKR
Access Realities (Private) Limited	Sri Lanka	199,922,532	100	7,996,901,280	199,922,532	100	7,996,901,280
Access Projects (Private) Limited	Sri Lanka	16,000,000	80	1,000,000,000	16,000,000	80	1,000,000,000
Harbour Village (Private) Limited*	Sri Lanka	191,748,574	66.67	3,099,158,510	191,748,574	66.67	3,099,158,510
WUS Logistics (Private) Limited	Sri Lanka	557,443,261	100	5,574,432,610	557,443,261	100	5,574,432,610
Access Logistics (Private) Limited	Sri Lanka	12,296,416	100	122,964,160	12,296,416	100	122,964,160
Lanka AAC (Private) Limited	Sri Lanka	13,100,832	50	131,008,320	13,100,832	50	131,008,320
Access Logistics Park Ekala (Private) Limited	Sri Lanka	826,072,840	100	8,260,728,400	826,072,840	100	8,260,728,400
Access Medical Tracers (Private) Limited	Sri Lanka	30,000,000	60	300,000,000	-	-	-
Access Engineering Port Services (Private) Limited	Sri Lanka	3,000,000	100	30,000,000	-	-	-
AEL East Africa Limited	Kenya	1,000	100	255,558	1,000	100	255,558
				26,515,448,838			26,185,448,838
Provision for impairment of investment in Access Projects (Private) Limited				(773,354,704)			(670,357,549)
Provision for impairment of investment in AEL East Africa Limited				(255,558)			(255,558)
Carrying value of unquoted Investments				25,741,838,576			25,514,835,731

\* Company acquired 95,814,287 shares, representing 33.33% of the issued share capital of Harbour Village (Private) Limited on 4th June 2025.

## 15.4 Movement in provision for impairment of investments in subsidiaries

For the year	2024/25	2023/24
Balance at the beginning of the year	670,613,107	609,097,792
Impairment made during the year	102,997,155	61,515,315
<b>Balance at the end of the year</b>	<b>773,610,262</b>	<b>670,613,107</b>

# NOTES TO THE FINANCIAL STATEMENTS

## Accounting estimate - provision for impairment

### 15.5 Provision for impairment 2024/25

In during the year an impairment assessment was carried out as at 31 March 2025 and it was noted that amount of LKR 102,997,155/= further impaired of Access Projects (Private) Limited

### 15.6 Provision for impairment 2023/24

An impairment assessment was carried out as at 31 March 2024 and it was noted that amount of LKR 61,515,315/= further impaired of Access Projects (Private) Limited

## 16. EQUITY-ACCOUNTED INVESTEEES

### Accounting policy

The Group's interests in equity-accounted investees comprise interest in associate and joint Venture.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of Profit or Loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the Statement of Changes in Equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or

loss after tax and noncontrolling interests in the subsidiaries of the associate or joint venture.

The Financial Statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

"After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'Share of results of equity accounted investees' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Investments in equity accounted investees are carried at cost less any accumulated impairment losses.

### 16.1 Carrying amount of interest in equity-accounted investees

	Number of shares	Effective holding %	Group		Company	
			2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Investment in joint venture</b>						
Blue Star Realities (Private) Limited	60,150,000	60	8,440,048	79,384,429	600	60,000,000
<b>Investment in an associate</b>						
ZPMC Lanka Company (Private) Limited	5,546,544	30	478,765,031	337,359,780	55,465,410	55,465,410
South Asia Commercial & Logistics Hub Limited (Note 16.4.2)	5,571,444	15	1,762,634,046	1,762,634,046	1,762,634,046	1,762,634,046
			<b>2,249,839,125</b>	<b>2,179,378,255</b>	<b>1,818,100,056</b>	<b>1,878,099,456</b>

### 16.1.1 Reconciliation of carrying amount of interest in equity-accounted investees

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
At the beginning of the year	2,179,378,255	971,511,970	1,878,099,456	655,465,410
Add/ (Less) - Group's share of results of equity-accounted investees, net of tax	130,460,270	33,178,401	-	-
Divestment in joint venture	(59,999,400)	(540,000,000)	(59,999,400)	(540,000,000)
Investment in an associate	-	1,762,634,046	-	1,762,634,046
Prior year adjustment	-	(47,946,162)	-	-
<b>Carrying amount of interest in equity accounted investees</b>	<b>2,249,839,125</b>	<b>2,179,378,255</b>	<b>1,818,100,056</b>	<b>1,878,099,456</b>

### 16.2 Group's share of total comprehensive income

For the year ended 31st March	2025 LKR	2024 LKR
Joint venture	(10,944,981)	(58,785,956)
Associate	141,405,251	91,964,357
	<b>130,460,270</b>	<b>33,178,401</b>

### 16.3 Investment in joint venture

The Group has invested 50% interest and further 10% interest (non voting share capital) in Blue Star Realities (Private) Limited in the year of 2016 and 2020 respectively. The Group has an economic interest of 60% in Blue Star Realities (Private) Limited as at 31 March 2025. The Board of Directors of Blue Star Realities (Private) Limited has decided to reduce stated capital of the company in terms of section 59(1) of the companies Act No 07 of 2007. In the year 2024/25, AEPLC received a sum of LKR 59,999,400/= (2023/24 - LKR 540,000,000/-) as capital reduction. Cumulative value of the investment is LKR. 600/= as at 31 March 2025. The joint venture involves in the business of residential property development. There is no changes of shareholding percentage due to capital reduction.

The Group's interest in joint ventures are accounted for using the equity method in the Consolidated Financial Statements.

Summarised financial information of the joint ventures, based on its Audited Financial Statements, and reconciliation with the carrying amount of the investment in the Consolidated Financial Statements are set out below:

	2025 LKR	2024 LKR
Non-current assets	139,308	2,227,330
Current assets	110,512,698	300,025,073
Non-current liabilities	(9,729,972)	(92,179,245)
Current liabilities	(86,848,272)	(77,699,786)
Net assets (100%)	14,073,762	132,373,372
Group's share of net assets	8,440,048	79,384,429
Goodwill	-	-
<b>Carrying amount of interest in joint venture</b>	<b>8,440,048</b>	<b>79,384,429</b>
Revenue	-	-
Total comprehensive income	(18,250,733)	(98,025,460)
<b>Group's share of total comprehensive income</b>	<b>(10,944,981)</b>	<b>(58,785,956)</b>
<b>Dividends received by the Group</b>	<b>-</b>	<b>-</b>

The joint venture had no material contingent liabilities or capital commitments as at 31 March 2024 or as at 31 March 2025.

# NOTES TO THE FINANCIAL STATEMENTS

## 16.4 Investment in an associate

### 16.4.1 ZPMC Lanka Company (Private ) Limited

The Group has a 30% interest in ZPMC Lanka Company (Private ) Limited, which has entered in to a contract with Colombo International Container Terminal to service and maintain the Container Handling Equipment supplied by Shanghai Zhenhua Heavy Industries Company Limited of China ( known as ZPMC).

The Group's interest in ZPMC Lanka Company (Private) Limited is accounted for using the equity method in the Consolidated Financial Statements.

Summarised financial information of the associate, based on its SLFRS financial statements, and reconciliation with the carrying amount of the investment in the Consolidated Financial Statements are set out below:

	2025 LKR	2024 LKR
Non-current assets	43,751,548	30,318,149
Current assets	2,515,961,255	1,715,912,933
Non-current liabilities	(37,514,892)	(32,935,797)
Current liabilities	(928,819,587)	(590,527,903)
Net assets	1,593,378,324	1,122,767,382
Group's share of net assets	478,765,031	337,359,780
<b>Carrying amount of interest in associate</b>	<b>478,765,031</b>	<b>337,359,780</b>
Revenue	2,870,850,992	1,545,746,818
Total Comprehensive Income	470,610,941	306,066,658
<b>Group's share of total comprehensive income</b>	<b>141,405,251</b>	<b>91,964,357</b>

There were no dividends received from the associate during 2024/25 (2023/24 - Nil).

The associate had no material contingent liabilities or capital commitments as at 31 March 2025 or as at 31 March 2024.

### 16.4.2 South Asia Commercial and Logistics Hub Limited

South Asia Commercial and Logistic Hub Limited a private limited liability company formed with the agreed share holding 70% of Fortune Centre Group Limited, 15% of Sri Lanka Port Authority and 15% of Access Engineering PLC.

The purpose of the company is to Finance, design, construct, develop, operate, manage and maintain South Asia Commercial and Logistic hub under a BOT agreement.

The Company has invested Rs. 1,762,634,046/- as a part of 15% stake in the company. Further the company has not started operations yet.

## 17. NON-CURRENT FINANCIAL ASSETS

### Accounting policy

The Group designated the investments shown below as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes.

As at 31st March	2025		2024	
	Group / Company		Group / Company	
	Total Cost LKR	Carrying amount LKR	Total Cost LKR	Carrying amount LKR
<b>Non-listed equity investment</b>				
Access CHEC JV (Private) Limited	510,000	1,385,605	510,000	1,436,066
<b>Carrying amount as at 31 March</b>	<b>510,000</b>	<b>1,385,605</b>	<b>510,000</b>	<b>1,436,066</b>

No Strategic investments were disposed of during 2024/25 , and there were no transfers of any cumulative gain or loss within equity relating to these investments. Further no dividend received during the period.

## 18. INVENTORIES

### Accounting policy

Inventories are measured at the lower of cost or net realizable value, after making due allowance for obsolete and slow moving items.

The cost of inventories are based on a weighted average costs.

The cost of inventories is comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, excluding borrowing cost.

Borrowing cost for inventories that are qualifying assets are capitalised as part of cost.

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

Inventory movement is reviewed at the end of reporting period by an expert to assess the recoverability of inventory and the items that are identified as irrecoverable are written off during the

year.

### Work in progress

Remaining work in progress are stated at cost.

The work in progress balance include the work of Marina Square project apartments at actual cost.

### Goods in transit

Goods-in-transit are recognised at actual cost as at reporting date.

### 18.1 Inventories

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Inventories	3,491,626,268	3,483,630,027	2,628,359,017	2,482,973,049
Work in Progress	21,742,823,078	16,818,497,474	120,402,797	450,028,103
Goods In Transit	11,458,411	71,713,605	-	-
Provision for inventories (Note 18.1.1)	(52,140,655)	(32,551,244)	(13,650,462)	(9,364,693)
	25,193,767,102	20,341,289,862	2,735,111,351	2,923,636,459

#### 18.1.1 Movement in provision for inventories

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	32,551,244	56,234,825	9,364,693	11,442,701
Provision for / (reversal of) inventory provision	19,589,411	(23,683,581)	4,285,769	(2,078,008)
<b>Balance at the end of the year</b>	<b>52,140,655</b>	<b>32,551,244</b>	<b>13,650,462</b>	<b>9,364,693</b>

There were no inventories pledge by the Group and Company as security for facilities obtained from the banks (2023/24 - Nil).

## 19. TRADE AND OTHER RECEIVABLES

### Accounting policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other financial nature receivables are recognised as other receivables. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the Effective Interest Rate method (EIR) less any provision for impairment.

### Provision for impairment of trade receivables

The Group applies the simplified approach in measuring expected credit losses (ECL) allowance which is recommended by SLFRS 9 on making impairment of trade receivables.

ECL are probability- weighted estimate of credit losses. The allowance is provided by considering evidence of impairment

for receivables of both individual and collective level. Receivables are individually assessed for impairment by considering objective evidence such as experiencing a significant financial difficulty or default in payment by customer. Debtors that are not specifically impaired are then collectively assessed for any impairment. In assessing collective impairment, the Group uses historical information on the probability of default, the timing of recoveries, the amount of loss incurred and makes an adjustment if current and forward looking economic and credit conditions are likely to be greater or lesser than suggested historical trends.

# NOTES TO THE FINANCIAL STATEMENTS

## 19.1 Trade and other receivables

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade receivables (Note 19.2)	11,012,245,008	9,095,289,400	9,930,912,130	7,690,034,384
Other receivables (Note 19.3)	3,902,532,060	4,659,244,587	349,774,524	297,027,711
Advance and prepayments (Note 19.4)	3,865,139,322	1,926,736,579	1,514,113,553	1,466,490,944
Contract assets (Note 19.5)	27,581,057	55,852,471	27,581,057	55,852,471
	18,807,497,447	15,737,123,037	11,822,381,264	9,509,405,510

## 19.2 Trade receivables

As at 31st March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade Receivables	12,024,654,216	9,703,136,303	10,783,748,754	8,161,205,640
Less: Provision for impairment of trade receivables (Note 19.2.1)	(1,012,409,207)	(607,846,903)	(852,836,624)	(471,171,256)
	11,012,245,008	9,095,289,400	9,930,912,130	7,690,034,384

### 19.2.1 Movement in Provision for impairment of trade receivables

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	607,846,903	541,615,693	471,171,256	445,154,739
Net provision for impairment of trade receivables	418,302,503	90,753,078	381,665,368	26,016,517
Write-off of trade receivables	(13,740,199)	(24,521,868)	-	-
<b>Balance at the end of the year</b>	<b>1,012,409,207</b>	<b>607,846,903</b>	<b>852,836,624</b>	<b>471,171,256</b>

## 19.3 Other receivables

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Other tax receivables	394,553,351	266,994,160	194,749,575	72,703,876
Others	3,507,978,709	4,392,250,427	155,024,949	224,323,835
	3,902,532,060	4,659,244,587	349,774,524	297,027,711

## 19.4 Advances and prepayments

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Deposits and prepayments	90,291,267	122,482,463	30,064,317	60,219,170
Advances	3,651,322,021	1,667,731,024	1,396,450,353	1,299,818,058
Refundable deposit	123,526,034	136,523,092	87,598,881	106,453,716
	3,865,139,322	1,926,736,579	1,514,113,553	1,466,490,944

## 19.5 Contract assets

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	55,852,471	28,938,306	55,852,471	28,938,306
Adjustments for the year	-	42,102,878	-	42,102,878
Amount recognised at cost	(28,271,414)	(15,188,713)	(28,271,414)	(15,188,713)
<b>Balance at the end of the year</b>	<b>27,581,057</b>	<b>55,852,471</b>	<b>27,581,057</b>	<b>55,852,471</b>

## 20. OTHER CURRENT FINANCIAL ASSETS

### Accounting policy

This mainly comprise of retention receivable, staff loans and current portion of investment in debentures which have been designated as financial assets at amortised cost and measured at amortised cost using EIR method and are subject to impairment.

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Retention receivable (Note 20.1)	2,804,348,953	2,183,700,058	2,507,576,414	1,890,598,196
Staff loans	131,290,861	142,794,371	118,126,840	133,356,352
Prepaid retention receivable expenses	371,644,324	560,830,540	371,644,324	560,830,540
Prepaid staff loan expenses	20,931,952	33,429,137	20,931,952	33,429,137
<b>Total other current financial assets</b>	<b>3,328,216,090</b>	<b>2,920,754,106</b>	<b>3,018,279,530</b>	<b>2,618,214,225</b>

### 20.1 Retention receivable

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Retention receivable	2,894,405,788	2,273,756,893	2,564,837,199	1,947,858,981
Less: Provision for impairment of retention receivables (Note 20.1.1)	(90,056,835)	(90,056,835)	(57,260,785)	(57,260,785)
	<b>2,804,348,953</b>	<b>2,183,700,058</b>	<b>2,507,576,414</b>	<b>1,890,598,196</b>

#### 20.1.1 Movement in Provision for impairment of retention receivable

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	90,056,835	95,621,177	57,260,785	52,116,829
Net provision for / (reversal of) impairment of retention receivables	-	(5,564,342)	-	5,143,956
<b>Balance at the end of the year</b>	<b>90,056,835</b>	<b>90,056,835</b>	<b>57,260,785</b>	<b>57,260,785</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 21. SHORT TERM INVESTMENTS

### Accounting policy

Investment in equity securities have been designated as financial assets at fair value through profit or loss. Loss on fair value changes of the investments have been charged to the profit or loss.

As at 31 March	2025		2024	
	Number of shares	Market Value LKR	Number of shares	Market Value LKR
<b>Group / Company</b>				
<b>Quoted investments</b>				
Agalawatttite Plantations PLC	323,953	13,865,188	-	-
Horana Plantations PLC	245,200	10,935,920	-	-
Laugfs Power PLC	141,905	1,603,527	-	-
Lankem Ceylon PLC	22,000	1,911,800	22,000	1,496,000
Watawala Plantations PLC	75,000	2,146,490	15,000	1,330,500
Peoples Leasing & Finance PLC	45,234	809,688	45,234	497,574
People's Merchant Finance PLC	100	720	100	47,000
Bairaha Farms PLC	-	-	4,200	726,600
First Capital Holdings PLC	-	-	60,000	2,064,000
Lankem Developments PLC	-	-	1,306,000	22,071,400
Maskeliya Plantations PLC	-	-	56,046	1,793,453
Capital Alliance PLC	-	-	30,000	1,590,000
Tokyo Cement Company (Lanka) PLC	-	-	450,000	23,175,000
<b>Total</b>	<b>853,392</b>	<b>31,273,333</b>	<b>1,988,580</b>	<b>54,791,527</b>

## 22. SHORT TERM DEPOSITS

### Accounting policy

Investments in fixed deposits have been designated as financial assets at amortised cost and measured at amortised cost using EIR method and are subject to impairment.

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Investment in unit trust	153,284	-	-	-
Fixed deposits	-	1,416,886,032	-	-
	<b>153,284</b>	<b>1,416,886,032</b>	<b>-</b>	<b>-</b>

The Group has invested in Fixed deposits in Bank of Ceylon and People's Bank.

## 23. CASH AND CASH EQUIVALENTS

### Accounting policy

Cash and cash equivalents are defined as cash at bank, 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.

For the purpose of Statement of Cash Flow, cash and cash equivalents consist of cash in hand and deposits in banks net of outstanding bank overdrafts. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cash at bank	2,429,830,678	3,406,946,901	1,066,234,698	1,641,170,746
Cash in hand	25,910,781	52,076,326	22,715,881	20,848,126
Cash and cash equivalents in the Statement of Financial Position	2,455,741,459	3,459,023,227	1,088,950,579	1,662,018,872
Bank overdraft	(726,020,147)	(201,888,879)		
<b>Cash and cash equivalents for the purpose of Statement of Cash Flows</b>	<b>1,729,721,312</b>	<b>3,257,134,348</b>	<b>1,088,950,579</b>	<b>1,662,018,872</b>

The credit risk relating to the Group and Company bank balances are analysed according to the credit ratings of each bank. (Note 37.3.2)

## 24. STATED CAPITAL AND OTHER COMPONENTS OF EQUITY

### Accounting policy

The ordinary shares of Access Engineering PLC are quoted in the Colombo Stock Exchange. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per individual present at meetings of the shareholders or one vote per share in case of a poll.

### 24.1 Stated capital

	2025		2024	
	Number of shares	Value of shares LKR	Number of shares	Value of shares LKR
At the beginning of the year	1,000,000,000	9,000,000,000	1,000,000,000	9,000,000,000
<b>At the end of the year</b>	<b>1,000,000,000</b>	<b>9,000,000,000</b>	<b>1,000,000,000</b>	<b>9,000,000,000</b>

### 24.2 OTHER COMPONENTS OF EQUITY

Other components of equity mainly comprise of revaluation reserve and foreign currency translation reserve.

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
At the beginning of the year	816,043,457	815,586,406	329,293,246	329,293,246
Revaluation reserve	-	-	-	-
Foreign currency translation reserve	(37,397)	457,051	-	-
<b>At the end of the Year</b>	<b>816,006,060</b>	<b>816,043,457</b>	<b>329,293,246</b>	<b>329,293,246</b>

#### 24.2.1 Revaluation reserve

The revaluation reserve consist of the amounts by which the revaluation of property, plant and equipment, and revaluation of investment properties immediately before reclassified from property, plant and equipment. There were no restrictions on distribution of these balances to the shareholders.

#### 24.2.2 Foreign currency translation reserve

The Foreign Currency Translation Reserve represents the differences between translated values of assets and liabilities of foreign operations at the exchange rate as at reporting date

# NOTES TO THE FINANCIAL STATEMENTS

## 24.3 Dividends

The following dividends were declared and paid by the Company for the year.

As at 31 March	Company	
	2025 LKR	2024 LKR
<b>Dividends on ordinary shares:</b>		
First interim dividend (2023/24)	-	500,000,000
Second interim dividend (2023/24)	1,000,000,000	-
First interim dividend (2024/25)	1,000,000,000	-
<b>Total dividends</b>	<b>2,000,000,000</b>	<b>500,000,000</b>
<b>Dividend per share</b>	<b>2.00</b>	<b>0.50</b>

Second interim dividend of LKR 1,000Mn for the financial year 2024/25 has been declared on 22 May 2025 and will be paid on 20 June 2025. (Note 31 - events after the reporting period on page 321)

## 25. GOVERNMENT GRANT

### Accounting policy

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

As at 31 March	Group	
	2025 LKR	2024 LKR
Balance at the beginning of the year	4,607,163	4,826,544
Amortisation	(219,381)	(219,381)
Balance at the end of the year	4,387,782	4,607,163

The above represents a Government grant received by Sathosa Motors PLC, for the construction of work shop at Peliyagoda and is amortised over a period of fifty (50) years. There are no unfulfilled conditions or contingencies attached to these grants.

## 26. LOANS AND BORROWINGS

### Accounting policy

Loans and borrowings are initially recognised at fair value net of directly attributable transaction costs. Subsequently they are measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the repayable amount (including interest) is recognised in profit or loss over the period of the loan using the effective interest rate method.

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Current portion of loans and borrowings</b>				
Debentures (Note 26.1)	-	-	-	-
Term loans (Note 26.2)	6,844,525,550	4,228,304,414	2,511,453,152	2,338,024,239
	6,844,525,550	4,228,304,414	2,511,453,152	2,338,024,239
<b>Non current portion of loans and borrowings</b>				
Debentures (Note 26.1)	-	-	-	-
Term loans (Note 26.2)	19,995,881,139	17,029,620,101	13,166,884,191	11,653,746,000
	19,995,881,139	17,029,620,101	13,166,884,191	11,653,746,000

## 26.1 Debentures

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

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	-	561,857	-	561,857
Repayments during the year	-	(561,857)	-	(561,857)
Balance at the end of the year	-	-	-	-
Interest payable	-	-	-	-
Carrying value as at the end of the year	-	-	-	-
Debt payable within one year	-	-	-	-
Debt payable after one year	-	-	-	-

The total amount raised through the Debenture issued in November 2015 was LKR 5 Bn. Type O1 of the debenture issue, amounting to LKR 4.998 Bn, Type O2 of the debenture issue, amounting to LKR 1 Mn and Type O3 of the debenture issue, amounting to LKR 0.02 Mn matured and fully paid in November 2020, November 2021 and November 2022 respectively. In addition to Type O4 of the debenture fully paid on April 2023. (Early settlement approved on extraordinary general meeting held on 10 March 2023).

## Debt security related ratios

For the year ended / as at 31 March	Company	
	2025	2024
Debt to equity ratio (%)	56	55
Quick assets ratio (times)	1.34	1.06
Interest cover (times)	3.69	2.10

## 26.2 Term loans

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the Year	21,257,924,515	16,238,266,180	13,991,770,239	15,239,678,928
<b>Cash movement</b>				
Obtained during the year	79,719,276,030	36,418,998,967	66,465,000,000	26,584,708,772
Repayment during the year	(74,083,089,703)	(31,437,191,343)	(64,763,746,000)	(27,900,641,700)
<b>Non cash movement</b>				
Accrued Interest (net)	(3,063,127)	68,033,794	(14,686,896)	68,024,239
Exchange differences	(50,641,026)	(30,183,083)	-	-
Balance at the end of the Year	26,840,406,689	21,257,924,515	15,678,337,343	13,991,770,239
Loan payable within one year	6,844,525,550	4,228,304,414	2,511,453,152	2,338,024,239
Loan payable after one year	19,995,881,139	17,029,620,101	13,166,884,191	11,653,746,000
	26,840,406,689	21,257,924,515	15,678,337,343	13,991,770,239

# NOTES TO THE FINANCIAL STATEMENTS

## 26.3 Analysis of loans and borrowings

Company Name	Lending institution	Nature of the facility	Interest rate and security	Maturity	Loan value LKR Mn.	2025	2024
						LKR Mn.	LKR Mn.
<b>Company</b>							
Access Engineering PLC	Seylan Bank PLC	Short term loans	Monthly Re- Price	12 Months	2,500	2,511.45	1,505.65
		Long term loans	Fixed rate	48 Months	2,000	2,009.04	2,009.02
	Commercial Bank of Ceylon PLC	Long term loans	Fixed rate - Unsecured	48 Months	2,550	2,553.87	5,275.12
	Bank of Ceylon	Short term loans	Monthly Re- Price	12 Months	1,940	-	773.96
		Long term loans	Fixed rate	36 Months	5,500	3,433.65	1,456.92
	Hatton National Bank PLC	Long term loans	Monthly Re- Price	48 Months	4,000	3,668.43	-
	People's Bank	Long term loans	Monthly Re- Price - Unsecured	48 Months	3,000	-	2,971.11
	Sampath Bank	Short term loans	Mohtly AWPLR	24 Months	1,500	1,501.89	-
<b>Group</b>							
Access Projects (Private) Limited	Commercial Bank of Ceylon PLC	Bank loan	AWPLR plus margin	60 Months	200	86.78	127.01
		Bank loan	AWPLR plus margin	03 Months	49.81	2.08	29.06
		Bank loan	Fixed rate Unsecured	12 Months	12	-	8.60
Sathosa Motors PLC	Seylan Bank PLC	Bank loan	AWPLR plus margin	12 Months	100	100	100
		Sampath Bank PLC	Revolving short term loans	Market rate over AWPLR Unsecured	03 Months	100	50
	Bank of Ceylon PLC	Revolving short term loans	Market rate over AWPLR	03 Month	525	200	525
		Term Loan	Fixed Rate	60 Month	100	34.99	54.99
	Term Loan	Interest free	60 Month	150	87.51	125	
	Seylan Bank PLC	Revolving short term loans	Market rate over AWPLR	03 Month	300	-	300
Access Motors (Private) Limited	Seylan Bank PLC	Mortgage Loan	Market rate over AWPLR	60 Month	600	500	300
	Hatton National Bank	Revolving short term Loan	Market rate over AWPLR	03 Month	100	100	-
Lanka AAC (Private) Limited	Sampath Bank PLC	Long term loans	Fixed Rate	60 Months	72	-	4.37
		Bank of Ceylon	Long term loans	Fixed Rate	60 Months	25	19.24
	Long term loans		Fixed Rate	36 Months	25	17.35	17
Access Logistic Park Ekala (Private) Limited	Commercial Bank of Ceylon PLC	"Long term loans - (USD- 14.46 Mn)"	Fixed Rate	60 Months	4,500	3,879.50	4,320
		"Long term loans - (USD- 6 Mn)"	Fixed Rate	60 Months	1,800	1,354.59	1,630.12
	Nation Trust Bank	Long term loans	Market rate under AWPLR .75%	60 Months	1,150	1,150	-
Access Realities (Private) Limited	Bank of Ceylon	Long term loans	Market rate over AWPLR	24 Months	500	230	-
Access Logistic (Private) Limited	Nation Trust Bank	Long term loans	Market rate under AWPLR .75%	60 Months	850	850	-
Harbour Village (Private) Limited	Sampath Bank PLC	Short term loans	AWPLR	12 Months	4,000	2,500	-

There have been no breaches of loan covenants during the reporting period (2024/25)

## 27. EMPLOYEE BENEFIT LIABILITIES

### Accounting policy

#### Short-term employee benefits

Short term employee benefits are expected as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Defined contribution plans-Employees Provident Fund and Employees Trust Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution to a separate entity and will have no legal or constructive obligation to pay further amounts.

All employees who are eligible for Employees' Provident Fund Contributions and Employees' Trust Fund Contributions are covered by relevant contributions funds in line with the relevant statutes.

Employer's contributions to the defined contribution plans are recognized as an expense in profit or loss when incurred.

#### Defined benefit plans

The liability recognized in the Statement of Financial Position in respect of defined benefit plan is the present value of defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using Projected Unit Credit (PUC) method as recommended by LKAS 19 - 'Employee Benefits'. Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The Group recognises the changes in the defined benefit liability attributable to the service costs (current service costs and any past service costs) and interest expense in the profit or loss. Key assumptions used in determining the defined benefit obligation are given in

note 27.2.

Defined benefit plan liability has not been externally funded by the Company as well as subsidiaries of the Group.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gain or losses on the settlement of a defined plan when the settlement occurs.

However, according to the Payment of Gratuity Act No. 12 of 1983, the liability for gratuity payment to an employee arises only after the completion of five years of continued service.

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability.

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	366,267,110	260,979,068	306,785,840	196,653,438
Current service cost	40,145,151	25,742,073	32,475,172	16,964,829
Interest cost	44,545,036	40,250,388	37,550,587	34,414,383
Actuarial losses / (gain)	23,454,753	119,830,303	20,000,296	109,033,571
	474,412,050	446,801,832	396,811,895	357,066,221
Less: Payments made during the year	(26,934,386)	(80,534,722)	(17,009,926)	(50,280,381)
<b>Balance at the end of the year</b>	<b>447,477,664</b>	<b>366,267,110</b>	<b>379,801,969</b>	<b>306,785,840</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 27.1 Expense recognised in Statement of Profit or Loss and Other Comprehensive Income

As at 31 March	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Current service cost		40,145,151	25,742,073	32,475,172	16,964,829
Interest cost		44,545,036	40,250,388	37,550,587	34,414,383
<b>Expense Recognised in Statement of Profit or Loss</b>	27.1.1	<b>84,690,187</b>	65,992,461	<b>70,025,759</b>	51,379,212
Actuarial losses recognised in other comprehensive income		23,454,753	119,830,303	20,000,296	109,033,571
<b>Total provision for the year</b>		<b>108,144,940</b>	185,822,764	<b>90,026,055</b>	160,412,783

The actuarial present value of the Group's and Company's promised retirement benefits as at 31st March 2025 amounted to LKR 447,477,664/= and LKR 379,801,969/= respectively.

### 27.1.1 Expenses recognised in Statement of Profit or Loss

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Cost of sales	69,213,171	38,527,615	67,647,588	36,630,010
Administrative expenses	15,477,016	27,464,846	2,378,171	14,749,202
	<b>84,690,187</b>	65,992,461	<b>70,025,759</b>	51,379,212

### 27.2 Key assumptions and quantitative sensitivity analysis

The cost of the defined benefit plan are determined using actuarial valuations and it involves making various assumptions. These include the determination of the discount rate, future salary increases, attrition rate and retirement age (mortality in service). Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The key assumptions and their sensitivity analyses are discussed further below.

#### 27.3 Company

An independent actuarial valuation of the retirement benefit obligation was carried out as at 31 March 2025 by professional actuaries - Messrs 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 LKAS 19- 'Employee Benefits'.

The principal assumptions used in determining the cost of employee benefits were:

	2025	2024
Discount rate (%)	11.50	12.24
Expected annual average salary increment rate (%)	9.00	9.00
Attrition rate (%)	4	5
Retirement age (years)	60	60

The Company has considered the impact on the defined benefit obligations due to changes in economic factors as a result of the prevailing macroeconomic conditions, with support of the independent actuarial expert.

#### Discount rate

The Company have used a long term interest rate of 11.5% p.a (2023/24-12.24% p.a) to discount future liabilities.

#### Expected annual average salary increment rate

Based on the actual salary increment rate of the Company over the past few years and having evaluated the business continuity plan, adjustments have not been made to expected annual average salary increment rate, to value future liabilities.

#### Attrition rate

Based on the actual staff turnover of the Company over the past few years, Company has used staff turnover factor of 4% p.a to value future liabilities.

## 27.4 Group

### a. Sathosa Motors PLC

An actuarial valuation of the provision for employee benefits was carried out as at 31 March 2025 by Actuarial & Management Consultants (Private) Limited. The valuation method used by the Actuaries to value the Employee Benefit Obligation is the "Projected Unit Credit Method". The method recommended by the LKAS 19- 'Employee Benefits'.

### b. Other Subsidiaries

Employee Benefit liabilities of other subsidiaries have been calculated applying the "Projected Unit Credit method" recommended by LKAS 19, "Employee Benefits".

The principal assumptions used in determining the employee benefits obligation were:

	2025	2024
Discount rate (%)	9.5% - 11.1%	11% - 13%
Expected annual average salary increment rate (%)	10% - 12%	8% - 12%
Attrition rate (%)	14.59% - 31%	12% - 32%
Retirement age (years)	60	60

## 27.5 Sensitivity of assumptions used

A quantitative sensitivity analysis for significant assumptions as at 31 March is, as shown below:

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Effect on the defined benefit obligation liability;</b>				
Increase by one percentage point in discount rate	(30,152,173)	(22,945,787)	(27,761,699)	(20,855,708)
Decrease by one percentage point in discount rate	34,269,620	25,578,708	31,765,222	23,700,798
Increase by one percentage point in salary increment rate	34,832,768	27,672,037	32,229,505	24,216,472
Decrease by one percentage point in salary increment rate	(31,118,194)	(24,946,171)	(28,601,715)	(21,622,837)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

## 27.6 Future expected contributions to the defined benefit plans

The following payments are expected contributions to the employee benefit obligation in future years:

	Company	
	2025 LKR	2024 LKR
Within the next 12 months (next annual reporting period)	29,289,266	25,928,298
Between 1 and 2 years	20,199,882	22,722,806
Between 3 and 5 years	99,555,917	84,484,086
Between 6 and 10 years	256,279,483	220,494,808
Total expected payments	405,324,548	353,629,998
Weighted average duration of the projected benefit obligation (years)	10	10

## 28. TRADE AND OTHER PAYABLES

### Accounting policy

Trade payables are the aggregate amount of obligation to suppliers for goods delivered to or services consumed by the Group in the ordinary course of business. Trade payables are classified as current liabilities if they are payable within one year or less.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

# NOTES TO THE FINANCIAL STATEMENTS

Trade and other payables are normally none interest bearing liabilities.

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Trade creditors	9,090,548,502	10,062,063,559	5,055,671,033	6,235,490,685
Other tax payable	84,984,466	45,791,076	-	-
Accrued expenses	1,963,284,999	1,527,626,099	1,128,915,156	896,159,618
Mobilization advance	2,208,066,323	5,524,522,659	2,203,334,840	5,244,304,090
Advances received	16,217,111,182	14,656,401,406	754,726,056	455,833,192
Retention payable	824,650,032	624,582,347	526,132,922	429,919,556
Security deposit	1,285,145,825	1,279,683,347	-	-
Contract liabilities (Note 28.1)	341,373,361	340,484,780	341,373,361	340,484,780
	32,015,164,690	34,061,155,273	10,010,153,368	13,602,191,921

## 28.1 Contract liabilities

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Balance at the beginning of the year	340,484,780	313,211,395	340,484,780	313,211,395
During the year addition	30,073,193	47,907,935	30,073,193	47,907,935
Recognised in profit or loss during the year	(29,184,612)	(20,634,550)	(29,184,612)	(20,634,550)
<b>Balance at the end of the year</b>	<b>341,373,361</b>	<b>340,484,780</b>	<b>341,373,361</b>	<b>340,484,780</b>

## 29. RELATED PARTY DISCLOSURE

### Accounting policy

The Company carried out transactions in the ordinary course of its business with parties who are defined as related parties as per Sri Lanka Accounting Standard LKAS 24 on Related Party Disclosures.

### 29.1.1 Parent and Ultimate Controlling Party

The Company does not have an identifiable parent of its own

### 29.1.2 Transactions with Key Management Personnel (KMP)

Key Management Personnel (KMP) of the Company consist of the members of the Board directing and controlling the activities of the Company (Executive and Non-Executive Directors). As the Company is the ultimate parent of the subsidiaries (listed in Note 32), the Board of Directors of the Company has the authority and responsibility for planning or controlling the activities of the Group directly or indirectly. Accordingly, the

Board of Directors of the Company (Executive and Non Executive) are KMP of the of the Company. No loans have been given to the Directors. Details of compensation are given in Note 8.1.1 to the Financial Statements.

### 29.1.3 Directors' Loan paid & compensation paid

#### A. Directors' Loan paid

No loans have been given to the Directors of the Company.

### B. Compensation of Key Management Personnel of the Group

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Directors emoluments & fees	66,429,004	89,205,000	53,470,094	71,475,000
<b>Total compensation paid to key management personnel</b>	<b>66,429,004</b>	<b>89,205,000</b>	<b>53,470,094</b>	<b>71,475,000</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to Key Management Personnel.

The names of Directors of Access Engineering PLC, who are also directors of subsidiaries joint ventures and equity accounted investees companies are stated on pages Note 29.5 to the Financial Statements.

Transactions with Close Family Members of Key Management Personnel (KMP)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include;

(a) that person's children and spouse or domestic partner

(b) children of that person's spouse or domestic partner and

(c) dependents of that person or that person's spouse or domestic partner

There were no transactions with the close family members during the year.

Details of directors and their spouses' share holdings are given on page no 232 and page no 233.

#### 29.1.4 Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at

the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2025.

Disclosure as per the requirement of Colombo Stock Exchange listing rule sec 9.3.2 and Code of Best Practices on Related Party Transactions, under the Security Exchange Commission Directives issues under Section 13 (C) of the Security Exchange Commission Act is on page no 213 - Related Party Transaction Review Committee Report.

The following tables provide the amount receivable from/to and summary of the transactions entered with related parties for the relevant financial years.

## 29.2. Amounts due from related parties

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Access International (Private) Limited	81,169,461	8,453,311	1,177,756	3,639,563
Access International Projects (Private) Limited	-	347,947	-	-
Access Industrial Systems (Private) Limited	-	-	-	-
ATSL International (Private)Limited	-	-	-	-
Sathosa Motors PLC	-	-	538,978	25,435,056
Harbour Village (Private) Limited	-	-	5,368,468,823	2,479,705,878
Access Motors (Private) Limited	-	-	18,118	6,363,808
Access Projects (Private) Limited	-	-	17,458,531	7,417,539
Blue Star Realties (Private) Limited	-	835,339	-	835,339
Access Transport & Services (Pvt) Ltd	7,078,747	2,083,304	-	-
Access Real Estate (Private) Limited	349,820	3,741	-	-
ZPMC Lanka (Private) Limited	30,783,187	1,532,034	29,519,137	-
Access Realties ( Private ) Limited	-	-	-	1,332,719
Access Medical Tracers (Pvt) Ltd	-	-	6,817,231	-
Access Residenciacs Pvt Ltd	30,238	-	-	-
Access Natural Water (Private) Limited	-	6,000	-	-
Reprographics (Pvt) Ltd	-	-	-	-
WUS Logistics (Private) Limited	-	-	107,515	-
Lanka A A C (Private) Limited	-	-	55,150,873	40,438,642
Access Logistics (Private) Limited	-	-	1,906,933	4,406,585
Access Logistics Park Ekala (Private) Limited	-	-	705,744,410	947,138,405
Access Engineering Port Services (Private) Limited	-	-	65,685	-
AEL East Africa Limited	-	-	5,081,375	5,081,375
Access Eco Electric (Pvt) Ltd	89,598	-	-	-
Foresight Engineering (Pvt) Ltd	6,065,867	126,124,407	1,955,525	-
Access-CHEC JV (Pvt) Limited	-	-	-	-
	125,566,918	139,386,083	6,194,010,890	3,521,794,909
Less -Provision for Impairment of Receivables	-	-	(637,444,235)	(5,081,375)
	125,566,918	139,386,083	5,556,566,655	3,516,713,534

# NOTES TO THE FINANCIAL STATEMENTS

## 29.3 Amounts due to related parties

As at 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
Access International (Private) Limited	463,479,250	378,239,326	14,928,618	246,943
Access Natural Water (Private) Limited	653,170	541,461	454,709	217,286
Access International Projects (Private) Limited	-	-	-	-
Reprographics (Private) Limited	1,293,600	234,679	1,293,600	234,679
Access Motors (Private) Limited	-	-	4,027,875	2,262,830
Access Projects (Private) Limited	-	-	6,685,971	3,099,075
Sathosa Motors PLC	-	-	8,048,951	4,849,549
Access Realities (Private) Limited	-	-	22,885,547	8,608,827
Access Realities II (Private) Limited	-	-	-	88,462
ARL Elevate (Private) Limited	-	-	-	32,500
Access Industrial Systems (Private) Limited	1,496,207	6,369,619	570	3,068,571
Access Lifestyle (Private) Limited	-	49,914	-	-
W U S Logistics (Pvt) Ltd	-	-	97,233,381	97,233,381
Lanka A A C (Private) Limited	-	-	3,639,049	4,004,271
Access Logisitics Park Ekala (Private) Limited	-	-	-	48,532,982
Ninewells Hospital (Pvt) Ltd	125,000,000	-	-	-
Access Medical Tracers (Pvt) Ltd	-	-	225,000,000	-
AEL East Africa Limited	-	-	255,558	255,558
	591,922,227	385,434,999	384,453,829	172,734,914

## 29.4 Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties.

For the year ended 31 March	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Subsidiaries</b>				
Sale of goods/rendering of services	-	-	2,186,869,127	3,203,162,145
Purchases of goods / receiving of services	-	-	(205,552,332)	(174,207,907)
Dividend received	-	-	1,642,356,867	601,766,821
Investment in shares	-	-	(330,000,000)	-
Disposal of investment property	-	-	465,000,000	-
<b>Equity accounted investees</b>				
Investment in shares	-	(1,762,634,046)	-	(1,762,634,046)
Divestment in shares	59,999,400	-	59,999,400	-
<b>Other related party companies</b>				
Sales of goods / rendering of services	29,398,366	243,259,992	25,607,983	222,420,733
Purchases of goods / receiving of services	(186,903,163)	(98,102,138)	(137,540,910)	(24,383,631)

**29.5 Key management personnel of Access Engineering PLC hold positions in other Companies. Such companies the Group had transactions with are identified below.**

Company Name	Company (AEL)						
	S. J. S. Perera	J.C. Joshua	S.D. Perera	D.A.R. Fernando	S.H.S. Mendis	S.D. Munasinghe	Shamal J.S. Perera

**Subsidiaries**

Access Realities (Private) Limited	√	√	√	√	√	√	
Access Realities 2 (Private) Limited	√	√		√	√	√	
A R L Elevate (Private) Limited	√	√	√	√	√	√	
Sathosa Motors PLC	√	√		√		√	
Access Motors (Private) limited	√					√	
Access Projects (Private) Limited	√			√			
Harbour Village (Private) Limited	√	√		√		√	
WUS Logistics (Private) Limited	√	√		√			
Lanka A A C (Private) Limited	√	√		√			
Access Logistics (Private) Limited	√	√		√			
Access Logistics Park Ekala (Private) Limited	√	√		√			
Access Medical Tracers (Private) Limited	√	√		√	√	√	√
Access Engineering Port Services (Private) Limited		√		√	√	√	√
Absolute Detailing Pvt Ltd	√					√	
AEL East Africa Limited	√	√		√	√		

**Associate**

ZPMC Lanka Company (Private) limited		√				√	
--------------------------------------	--	---	--	--	--	---	--

**Joint Venture**

Blue Star Realities (Private) Limited	√						
South Asia Commercial and Logistic Hub Limited						√	

**Other Related Party Companies**

Access International (Private) Limited	√	√	√	√	√	√	√
Access Natural Water (Private) Limited	√	√	√				
Access Civimech (Private) Limited	√		√				√
Access Industrial Systems (Private) Limited	√		√				√
Access International Projects (Private) Limited	√		√				√
C.R.D.S. Development (Private) Limited		√		√	√	√	
Reprographics (Private) Limited	√		√				√
ATSL International (Private) Limited	√		√				√
Access-CHEC JV (Private) Limited		√		√			

# NOTES TO THE FINANCIAL STATEMENTS

## 29.6 Related Party Transaction

### 29.6.1 Non-recurrent related party transaction

For disclosure of non-recurrent related party transactions which in aggregate value exceeds 10% of the equity or 5% of the total assets, whichever is lower of the Group as per financial statements ending March 31, 2025, which require additional disclosures in the 2023/24 annual report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act. Refer related party transaction review committee report in page 213.

### 29.6.2 Recurrent related party transaction

There were no recurrent related party transactions which in aggregate value exceeds 10% of the consolidated revenue Group as per financial statements ending March 31, 2025, which require additional disclosures in the 2023/24 annual report under the Colombo Stock Exchange Listing Rule 9.3.2 and Code of Best Practice on Related Party Transactions under the Securities and Exchange Commission Directive issued under section 13(c) of the Securities and Exchange Commission Act.

### 29.6.3 Guarantees

Details of guarantees given in respect of related parties are given in Note 30.1.2 to the Financial Statements.

### 29.6.4 Interest on related party Loans and Advances

Interest on related party Loans and Advances are decided based on the inter bank lending rates, associated risk and purpose for which funds are used. There are no related parties or related party transactions other than those disclosed in Note 29.4 to the Financial Statements.

## 30. PROVISIONS, COMMITMENTS AND CONTINGENCIES

### Accounting policy

Provisions are recognized when the Group/ Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed the reimbursement is recognised as a separate asset when the reimbursement is virtually certain. The expense relating to provision is presented in income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are calculated based on the historical experience and the specific terms in the individual cases. The Group arrives at an estimate on the basis of an evaluation of the most likely outcome.

All known provisions have been accounted for in preparing the Financial Statements.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is not probable or cannot be readily measured. Contingent liabilities are not recognised in the statement of financial position but disclosed as a note to the financial statements unless the outflow of resources is remote. Contingent assets are disclosed, where inflow of economic benefit is probable.

Currently the Group/ Company is involved in pending litigations and claims arising out of the normal conduct of the business. Based on expert legal advice the Group/ Company does not expect the pending litigations and claims, individually and in aggregate, to have a material impact on Group's Financial Position, operating profit or cash flow in addition to amounts accrued as provision for legal disputes.

The commitments and contingent liability of the Group and the Company as at 31 March 2025, relates to the following:

### 30.1 Disclosure - Company

#### 30.1.1 Legal claim contingency

##### 30.1.1.1 Legal Cases filed against the Company

###### Case No : CHC/ 43/ 2021/ MR

A case has been filed against two defendants [1st defendant: Access Engineering PLC, 2nd defendant: W.U.S Logistics (Pvt) Ltd.] seeking declaratory relief to the effect that, the offer made by the plaintiff for the buyback of the shares in the 2nd Defendant is valid and reasonable; and the 1st Defendant is liable to transfer the shares to the Plaintiffs at the price offered; The Plaintiffs have exercised the buyback option; the 1st Defendant is not entitled to treat the MOU for the buyback dated 30th September, 2019 as being expired; that the 1st Defendant is holding shares in 2nd Defendant Company in Trust for the Plaintiffs; and have also claimed for interim relief. The Court fixed this matter for order on 31st July 2025.

##### 30.1.1.2 Legal Cases filed by the Company

###### Case No : CA Tax 23/2022

In April 2022, the Tax Appeal Commission made a determination in favour of the Commissioner General of Inland Revenue.

The Company has now appealed against this determination in the Court of Appeal. The matter is fixed for argument on 30

July 2025.

### 30.1.2 Guarantees

Bank guarantees issued by the banks on behalf of the Company are as follows;

Bank	Amount LKR
Hatton National Bank PLC	1,132,266,141
Bank of Ceylon	1,920,941,555
People's Bank	254,789,147
Commercial Bank of Ceylon PLC	158,779,844
Cargills Bank Limited	905,127,122
Seylan Bank PLC	2,016,808,382
DFCC Bank PLC	264,640,000
	6,653,352,190

Following corporate guarantees has been issued by the company on behalf of,

1. Access Projects (Private) Limited	LKR 250 Mn
2. Sathosa Motors PLC	LKR 500 Mn
3. Harbour Village (Private) Limited	LKR 6,500 Mn
3. Access Logistic (Private) Limited	LKR 850 Mn
4. Access Logistic Park Ekala (Private) Limited	USD 14.6 Mn & LKR 1,150 Mn

### 30.1.3 Tax Assessments

There were no income tax assessments issued by the Department of Inland Revenue during the year under review.

## 30.2 Disclosure - Group

### Sathosa Motors PLC

#### Corporate Guarantee

Corporate guarantee issued by Sathosa Motors PLC on behalf of Access Motors (Private) Limited is LKR 369 Mn and USD 1 Mn respectively.

### Access Projects (Private) Limited

#### Bank Guarantees

Bank guarantees issued by the banks

to Access Projects (Private) Limited's customers are as follows;

Bank	Performance bid and retention bonds LKR
Commercial Bank PLC	304,307,319

## 31. EVENTS AFTER THE REPORTING PERIOD

All material events after the reporting date have been considered, disclosed and adjusted where applicable.

### Company

#### Second Interim Dividend

Pursuant to the resolution adopted on 22 May 2025, the Board of the directors of the Company approved the payment of a second interim dividend of one rupee (1.00 rupee per share amounting to Rs. 1,000,000,000/- for the year ended 31 March 2025.

As required by Section 56 (2) of the Companies Act No. 07 of 2007, the Board of Directors has confirmed that the Company satisfied the solvency test in accordance with Section 57 of the Companies Act No. 07 of 2007, and has obtained a certificate from auditors, prior to declaring the final dividend.

In accordance with the LKAS 10- Events after the reporting period, the second interim dividend has not been recognized as a liability in the financial statements as at 31 March 2025.

#### Acquisition of Non-Controlling Interest in Harbour Village (Private) Limited - 33.33%

Company acquired 95,814,287 shares, representing 33.33% of the issued share capital of Harbour Village (Pvt) Ltd, for a total consideration of USD 19 million. As a result of this acquisition, Harbour Village (Pvt) Ltd has become a wholly owned subsidiary of Access Engineering PLC.

# NOTES TO THE FINANCIAL STATEMENTS

## 32. GROUP INFORMATION

### Company

Access Engineering PLC (AEL) is primarily involved in the business of construction activities and supply of construction-related services and materials.

### Subsidiaries and equity accounted investees

The consolidated financial statements of the Group include :

Name	Principle Activities	Country of incorporation	% of Equity interest	
			2025	2024
Access Realties (Private) Limited	Commercial property development for Lease and rental	Sri Lanka	100	100
Access Realties 2 (Private) Limited	Commercial property development for Lease and rental	Sri Lanka	100	100
ARL Elevate (Private) Limited	Provision for conference, restaurant and support facilities for Access Towers	Sri Lanka	100	100
Sathosa Motors PLC	Authorized distributor for ISUZU brand vehicles in Sri Lanka	Sri Lanka	84.42	84.42
Access Motors (Private) Limited	Authorized distributor for Jaguar and Land Rover in Sri Lanka	Sri Lanka	42.21	42.21
Access Projects (Private) Limited	Construction and supply of construction related services and materials	Sri Lanka	80	80
Harbour Village (Private) Limited*	Residential and commercial property development	Sri Lanka	66.67	66.67
W U S Logistics (Private) Limited	Commercial property development for Lease and rental	Sri Lanka	100	100
Access Logistics (Private) Limited	Commercial property development for Lease and rental	Sri Lanka	100	100
Lanka AAC (Private) Limited	Supply of construction related materials	Sri Lanka	50	50
Access Logistics Park Ekala (Private) Limited	Commercial property development for Lease and rental	Sri Lanka	100	100
AEL East Africa Limited	Construction activities	Republic of Kenya	100	100
Access Engineering Port Services (Private) Limited	Commission, repair and maintenance of port machinery	Sri Lanka	100	-
Access Medical Tracers (Private) Limited	Manufacture and distribution of 18F-FDG Radioisotopes	Sri Lanka	60	-
ZPMC Lanka Company (Private) Limited	Commission, repair and maintenance of port machinery	Sri Lanka	30	30
Blue Star Realties (Private) Limited	Residential property development	Sri Lanka	60	60
South Asia Commercial and Logistice Hub Limited	Commercial property development	Sri Lanka	15	-

During the year investments of subsidiaries are disclosed in Note 33.1 in the Financial Statements.

There are no other significant changes in the nature of the principal business activities of the Group or Company during the financial year under review. Description of the nature of operations and principal activities of the Company, its subsidiaries and equity-accounted investees are described in more detail in the Group Directory on pages 63 to 81.

\* Company acquired 95,814,287 shares, representing 33.33% of the issued share capital of Harbour Village (Private) Limited on 4th June 2025.

### 33. BUSINESS COMBINATIONS

This section provides additional information on how changes in the Group structure has impacted the financial position and financial performance of the Group as a whole and significant events that have occurred during the year impacting the financial performance and position of the Group.

#### Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if subsidiary all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

#### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### Consolidation of entities in which the Group holds less than/ equal voting rights

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- » The contractual arrangement with the other vote holders of the investee;
- » Rights arising from other contractual arrangements; and
- » The Group's voting rights and potential voting rights

Subsidiaries that are consolidated have been listed in the Note 15. The following company, with equity control equal to 50%, have been consolidated as subsidiaries based on above criteria.

Company	% Holding
Lanka AAC (Private) Limited	50%

#### Non-controlling interests

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

## Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## 33.1 Investment in Subsidiaries/Joint Venture - 2024/25

### Access Medical Tracers (Private) Limited

The Company has invested LKR 300 Mn in Access Medical Tracers (Private) Limited (AMTPL), which represents a 60% shareholding in AMTPL.

### Access Engineering Port Services (Private) Limited

The Company has invested LKR 30 Mn in Access Engineering Port Services (Private) Limited (AEPS), which represents a 100% shareholding in AEPS.

## Investments in subsidiaries/Joint Venture - 2023/24

### South Asia Commercial and Logistic Hub Limited

South Asia Commercial and Logistic Hub Limited is a private limited liability company formed with the agreed share holding 70% of Fortune Centre Group Limited, 15% of Sri Lanka Port Authority and 15% of Access Engineering PLC.

The purpose of the company is to Finance, design, construct, develop, operate, manage and maintain South Asia Commercial and Logistic hub under a BOT agreement.

The Company has invested Rs. 1,762,634,046/- during the year as a part of 15% stake in the company. Further the South Asia Commercial and Logistic Hub Limited has not started operations yet.

## 34. NON-CONTROLLING INTERESTS

Non- controlling interest is initially measured at their proportionate share of the acquirees identifiable net assets at the date of acquisition.

The total profit and loss for the year of the Company and its subsidiaries included in consolidation are shown in the Statement of Profit or Loss and Comprehensive income with the proportion of profit and loss after taxation pertaining to Non-controlling shareholders of subsidiaries being deducted as "Non-controlling Interest". All assets and liabilities of the Company and of its subsidiaries included in consolidation are shown in the Consolidated Statement of Financial Position. The interest of Non- controlling shareholders of subsidiaries in the fair value of net assets of the Group is indicated separately in the consolidated statement of financial position under the heading "Non-controlling interests". Changes in the Group's interest in subsidiary that do not result in loss of controls are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognized in profit or loss.

### Ownership interest held by Non-Controlling Interest (NCI)

	Principal place of business	Operating segment	2025	2024
Access Projects (Private) Limited	Sri Lanka	Civil Engineering	20%	20%
Sathosa Motors PLC	Sri Lanka	Automobile	15.58%	15.58%
Harbour Village (Private) Limited*	Sri Lanka	Condominium Proerties	33.33%	33.33%
Lanka AAC (Private) Limited	Sri Lanka	Construction Material production	50.00%	50%
Access Medical Tracers (Private) Limited	Sri Lanka	Radiopharmaceutical	40.00%	-

\*Company acquired 95,814,287 shares, representing 33.33% of the issued share capital of Harbour Village (Private) Limited on 4th June 2025.

The following table summarizes the information relating to each of the Group's subsidiaries that has Non-Controlling interest, before any intra - group elimination.

For the year ended 31 March 2025	Access Projects (Private) Limited LKR	Sathosa Motors PLC LKR	Harbour Village (Private) Limited LKR	Lanka AAC (Private) Limited LKR	Access Medical Tracers (Private) Limited LKR	Total LKR
Non-current assets	270,260,669	2,981,098,401	3,840,554,430	291,315,656	168,420,269	7,383,229,156
Current assets	950,018,023	1,793,601,664	27,381,276,605	82,499,717	358,212,869	30,207,396,008
Non-current liability	(55,642,195)	(570,666,720)	(53,121,566)	(36,599,039)	-	(716,029,520)
Current liability	(878,610,869)	(1,767,352,792)	(26,992,774,238)	(131,147,739)	(26,172,014)	(29,769,885,639)
<b>Net asset</b>	<b>286,025,628</b>	<b>2,436,680,552</b>	<b>4,175,935,230</b>	<b>206,068,596</b>	<b>500,461,124</b>	<b>7,104,710,006</b>
<b>Net asset attributable to non controlling interest</b>	<b>57,205,126</b>	<b>833,223,015</b>	<b>1,391,839,212</b>	<b>103,034,298</b>	<b>200,184,450</b>	<b>2,585,486,101</b>
Revenue	672,604,556	2,972,852,488	-	131,412,779	-	3,776,869,823
Profit / (Loss) for the Year	(125,878,379)	306,634,763	(83,522,450)	(40,605,050)	461,124	57,090,008
Other Comprehensive Income / (Loss)	-	(2,236,282)	-	-	-	(2,236,282)
Total Comprehensive Income	(125,878,379)	304,398,480	(83,522,450)	(40,605,050)	461,124	54,392,602
Profit / (loss) attributable to Non Controlling Interest	(25,175,676)	54,167,204	(27,838,033)	(20,302,525)	184,450	(18,964,580)
OCI attributable to Non Controlling Interest	-	348,346	-	-	-	348,346
<b>Total comprehensive income attributable to non controlling interest</b>	<b>(25,175,676)</b>	<b>54,515,550</b>	<b>(27,838,033)</b>	<b>(20,302,525)</b>	<b>184,450</b>	<b>(18,616,234)</b>
Cash flows from / (used in) operating activities	176,651,805	1,550,512,146	(3,306,141,753)	4,368,511	(374,382,386)	(1,948,991,677)
Cash flows from / (used in) investment activities	6,608,898	(1,110,796,094)	(688,051,049)	(776,455)	(69,214,745)	(1,862,229,445)
Cash flows from / (used in) financing activities	(75,832,980)	(99,521,080)	2,498,500,000	(21,427,570)	500,000,000	2,801,718,370
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>107,427,724</b>	<b>340,194,971</b>	<b>(1,495,692,802)</b>	<b>(17,835,514)</b>	<b>56,402,869</b>	<b>(1,065,905,621)</b>

For the year ended 31 March 2024	Access Projects (Private) Limited LKR	Sathosa Motors PLC LKR	Harbour Village (Private) Limited LKR	Lanka AAC (Private) Limited LKR	Total LKR
Non-current assets	303,816,008	1,964,087,616	2,759,306,947	312,761,024	5,339,971,594
Current assets	1,666,978,950	1,907,297,126	21,667,502,597	91,188,509	25,332,967,182
Non-current liabilities	(157,126,419)	(327,904,508)	(52,814,482)	(45,491,665)	(583,337,074)
Current liabilities	(1,401,615,475)	(1,317,774,595)	(20,114,537,382)	(111,915,420)	(22,945,842,872)
<b>Net assets</b>	<b>412,053,064</b>	<b>2,225,705,639</b>	<b>4,259,457,680</b>	<b>246,542,448</b>	<b>7,143,758,831</b>
<b>Net assets attributable to non controlling interest</b>	<b>82,410,613</b>	<b>783,442,629</b>	<b>1,419,677,245</b>	<b>123,271,224</b>	<b>2,408,801,713</b>
Revenue	1,179,050,694	2,173,450,136	-	148,117,694	3,500,618,524
Profit/ (loss) for the year	(69,000,327)	118,568,321	(86,591,964)	(22,999,162)	(60,023,130)
Other Comprehensive Income	(7,893,817)	3,279,789	-	3,830,979	(783,049)
Total comprehensive income	(76,894,144)	121,848,110	(86,591,964)	(19,168,183)	(60,806,181)
Profit / (loss) attributable to Non Controlling Interest	(13,800,065)	47,802,686	(28,861,101)	(11,499,581)	(6,358,061)
OCI attributable to Non Controlling Interest	(1,578,763)	510,893	-	1,915,490	847,620
<b>Total comprehensive income attributable to non controlling interest</b>	<b>(15,378,828)</b>	<b>48,313,579</b>	<b>(28,861,101)</b>	<b>(9,584,091)</b>	<b>(5,510,441)</b>
Cash flows from/(used in) operating activities	(56,987,661)	(32,474,318)	1,436,297,520	30,632,264	1,377,467,806
Cash flows from/(used in) investment activities	(208,783)	(145,458,516)	(847,012,006)	(53,984,667)	(1,046,663,972)
Cash flows from / (used in) financing activities	42,526,581	158,985,706	(3,000,000)	40,467,808	238,980,095
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(14,669,863)</b>	<b>(18,947,128)</b>	<b>586,285,514</b>	<b>17,115,405</b>	<b>569,783,929</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 34.1 Acquisition of NCI

### Acquisition of NCI 2024/25

There were no acquisition of NCI during 2024/25 or during 2023/24

## 35. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under SLFRS 15.

#### Classification and measurement

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business

model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to four categories based on the entity's business model and the cash flow characteristics:

- (a) financial assets at amortised cost;
- (b) Financial assets designated at fair value through OCI
- (c) financial assets at fair value through profit or loss.

#### Financial assets at amortised cost (debt instrument)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, short term deposits and other current financial assets.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

#### Financial assets designated at fair value

#### through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under LKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

#### Financial Assets at fair value through profit or loss

Financial Assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in the fair value recognised in the statement of profit or loss. This category includes listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

#### De-recognition

A financial asset (or, where applicable, apart of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- \* The rights to receive cash flows from the asset have expired, or
- \* The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided

for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Aside from this note, other disclosures relating to impairment of financial assets (trade receivables) are included in Note 19.

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- » Financial liabilities at fair value through profit or loss
- » Financial liabilities at amortised cost (loans and borrowings)

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss incurred financial liabilities held-for-trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held-for-

trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SLFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held-for-trading are recognized in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SLFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

#### Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit or Loss. This category generally applies to interest-bearing loans and borrowings.

#### De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit or Loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

# NOTES TO THE FINANCIAL STATEMENTS

## 35.1 Classification of Financial assets and financial liabilities - Group

As at 31 March	Financial instruments recognised through profit or loss		Financial instruments at amortised cost	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Financial assets</b>				
Equity securities	31,273,333	54,791,527		
Trade and other receivables	-	-	14,643,749,752	13,624,062,919
Amounts due from related parties	-	-	125,566,918	139,386,083
Other current financial assets	-	-	3,328,216,090	2,920,754,106
Short-term deposits	-	-	153,284	1,416,886,032
Cash and cash equivalent	-	-	2,455,741,459	3,459,023,227
<b>Financial liabilities</b>				
Bank over draft	-	-	-	-
Interest bearing borrowings	-	-	-	-
Trade payable	-	-	-	-
Amount due to related parties	-	-	-	-
Lease Liabilities	-	-	-	-
Unclaimed dividend	-	-	-	-
<b>Total</b>	<b>31,273,333</b>	<b>54,791,527</b>	<b>20,553,427,503</b>	<b>21,560,112,367</b>

## 35.2 Financial assets and liabilities by categories in accordance with SLFRS 9 - Company

As at 31 March	Financial instruments recognised through profit or loss		Financial instruments at amortised cost	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Financial assets</b>				
Equity Securities	31,273,333	54,791,527		
Trade and Other Receivables	-	-	10,173,535,961	8,020,811,934
Amounts due from related parties	-	-	5,556,566,655	3,516,713,534
Other Current Financial Assets	-	-	3,018,279,530	2,618,214,225
Short-Term Deposits	-	-	-	-
Cash and Cash Equivalent	-	-	1,088,950,579	1,662,018,872
Corporate Debt Securities	-	-	-	-
<b>Financial liabilities</b>				
Unsecured Bond Issue	-	-	-	-
Bank Over Draft	-	-	-	-
Interest bearing borrowings	-	-	-	-
Trade Payable	-	-	-	-
Amount Due to Related Parties	-	-	-	-
Lease Liabilities	-	-	-	-
Unclaimed dividend	-	-	-	-
<b>Total</b>	<b>31,273,333</b>	<b>54,791,527</b>	<b>19,837,332,724</b>	<b>15,817,758,565</b>

FVOCI – equity instruments		Total		Financial liabilities measured at amortised cost	
2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
1,385,605	1,436,066	32,658,938	56,227,593	-	-
-	-	14,643,749,752	13,624,062,919	-	-
-	-	125,566,918	139,386,083	-	-
-	-	3,328,216,090	2,920,754,106	-	-
-	-	153,284	1,416,886,032	-	-
-	-	2,455,741,459	3,459,023,227	-	-
-	-	-	-	726,020,147	201,888,879
-	-	-	-	26,840,406,690	21,257,924,515
-	-	-	-	11,200,344,360	11,966,329,255
-	-	-	-	591,922,227	385,434,999
-	-	-	-	205,849,558	267,255,609
-	-	-	-	18,918,459	19,130,987
1,385,605	1,436,066	20,586,086,441	21,616,339,959	39,583,461,440	34,097,964,243

FVOCI – equity instruments		Total		Financial liabilities measured at amortised cost	
2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR
1,385,605	1,436,066	32,658,938	56,227,593	-	-
-	-	10,173,535,961	8,020,811,934	-	-
-	-	5,556,566,655	3,516,713,534	-	-
-	-	3,018,279,530	2,618,214,225	-	-
-	-	-	-	-	-
-	-	1,088,950,579	1,662,018,872	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	15,678,337,343	13,991,770,239
-	-	-	-	5,581,803,954	6,665,410,241
-	-	-	-	384,453,829	172,734,914
-	-	-	-	128,589,647	117,656,206
-	-	-	-	14,525,219	15,021,575
1,385,605	1,436,066	19,869,991,662	15,873,986,158	21,787,709,992	20,962,593,175

# NOTES TO THE FINANCIAL STATEMENTS

## 36. FAIR VALUE MEASUREMENT AND RELATED FAIR VALUE DISCLOSURES

### 36.1 Fair Value Measurement

F Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed in this note. Aside from this note additional fair value related disclosures including the valuation methods, significant estimates and assumptions are also provided in;

- » Property, plant and equipment under revaluation model Note 11
- » Investment properties Note 13
- » Financial instruments (including those carried at amortised cost) Note 35

#### Accounting Policy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

\* In the principal market for the asset or liability

Or

\* In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Input that are quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

### 36.2 Valuation techniques and significant unobservable inputs

The following tables summarises the valuation techniques used by the Group and the Company in measuring Level 2 and Level 3 fair values, and the significant unobservable inputs used for the valuation.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<b>Financial assets</b>			
Unquoted equity securities	Net assets basis	Net asset per share (- 6,476 - 330)	Variability of inputs are insignificant to have an impact on fair values
<b>Non financial assets</b>			
Land and building	Open market value basis for lands and depreciated replacement cost basis for buildings	Estimated price per perch, Estimated price per square feet	Estimated fair value would increase (decrease) if ; - Price per perch increases (decreases) - Price per square feet increases (decreases)
Investment property	Investment method Open market method Contractor method	Estimated price per perch, Estimated price per square feet	Estimated fair value would increase (decrease) if ; - Price per perch increases (decreases) - Price per square feet increases (decreases)

### 36.3 Fair value hierarchy

The following table shows fair value measurement hierarchy of the Group's assets, liabilities. It does not includes fair value information for financial assets and financial liabilities not measured at fair value if carrying amount is a reasonable approximation of fair value.

#### 36.3.1 Fair value hierarchy – Group

As at 31 March	Note	Fair value hierarchy						Total	
		Level 1		Level 2		Level 3		2025 LKR	2024 LKR
		2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR		
<b>Financial assets</b>									
Quoted / Unquoted equity securities	(17/21)	31,273,333	54,791,527	-	-	1,385,605	1,436,066	32,658,938	56,227,593
<b>Non financial assets</b>									
Land and building	11.1	-	-	-	-	2,125,552,619	1,533,852,943	2,125,552,619	1,533,852,943
Investment property	13.1	-	-	-	-	36,699,491,876	36,362,575,558	36,699,491,876	36,362,575,558

#### 36.3.2 Fair value hierarchy – Company

As at 31 March	Note	Fair value hierarchy						Total	
		Level 1		Level 2		Level 3		2025 LKR	2024 LKR
		2025 LKR	2024 LKR	2025 LKR	2024 LKR	2025 LKR	2024 LKR		
<b>Financial assets</b>									
Quoted / Unquoted equity securities	(17/ 21)	31,273,333	54,791,527	-	-	1,385,605	1,436,066	32,658,938	56,227,593
<b>Non financial assets</b>									
Land and building	11.2	-	-	-	-	446,155,285	388,912,243	446,155,285	388,912,243
Investment property	13.1	-	-	-	-	774,400,000	1,195,500,000	774,400,000	1,195,500,000

# NOTES TO THE FINANCIAL STATEMENTS

## 37. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES, AND POLICIES

### 37.1 Introduction

Financial Risk Management is the practice of economic value in a firm by using financial instrument, manage exposure to risk face by group. The Group's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group also holds investments in debt and equity instruments. The major financial liabilities used by a group including debt securities, loans and borrowings and trade and other payables. The main purpose of these financial investments is to finance the group's operations and to provide guarantees to support its operations.

### 37.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established group risk management policies to identify analyse the risk faced by the Group and set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly, and aim to develop a disciplinary constructive control environment, in which all employees understand their roles and obligations through training, management standards and procedures.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risk faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the result of which are reported to the

Audit Committee. The committee reports regularly to the board of directors on its activities.

The Group is exposed to key financial risks include Credit Risk, Liquidity Risk , Market Risk.

The board of Directors reviews, verifies, agree the policies for managing each type of risk which are summarized below.

### 37.3 Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The maximum exposure to credit risk in respect of above at the reporting date is the carrying value of financial assets recorded in the Financial Statements, net of any allowance for losses.

#### 37.3.1 Trade receivables

Customer credit risk is managed by each business units subject to group's established polices procedures and controls relating to customer credit risk management.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer based including default risk associate with the industry and country in which customers operate. Each new customer is analysed individually for credit worthiness, reviews external ratings, if they are available financial statements, credit agency information, industry information, and in some cases bank references. Each business units monitor the customers' financial standing

(financial insolvency) and outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date using simplified approach to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The minimum exposure to credit risk at the reporting date is the carrying value of the each class of financial assets disclosed in Note 35.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets and material payments being backed by guarantees and enters contractual agreements with client before starting the operations.

The uncertainty is reflected in the assessment of expected credit loss calculation which are subject to a number of management judgments and estimates.

Based on the assessment carried, no further impairment provision is required to be made in the financial statements as at the reporting date in respect of impairment provision other than disclosed in note 19.2.1.

As at 31st March, the aging analysis of trade receivables and provision for impairment were as follows for the Group.

As at 31 March	2025			2024		
	Gross carrying amount LKR	Provision for impairment (according to SLFRS 9) LKR	Weighted average loss rate	Gross carrying amount LKR	Provision for impairment (according to SLFRS 9) LKR	Weighted average loss rate
Current (Not past due)	4,203,884,572	(7,771,850)	0.18%	2,266,560,011	-	-
<b>Past due</b>						
< 30 days	2,860,460,023	(2,224,441)	0.08%	1,849,818,348	(513,019)	0.03%
30-60 days	578,787,375	(3,528,937)	0.61%	857,554,620	(5,074,157)	0.59%
61-90 days	549,808,495	(2,523,834)	0.46%	576,705,926	(2,016,632)	0.35%
91-120 days	308,863,165	(2,022,592)	0.65%	192,122,425	(3,195,705)	1.66%
> 120 days	3,522,850,587	(994,337,553)	28.23%	3,960,374,973	(597,047,390)	15.08%
<b>Total</b>	<b>12,024,654,216</b>	<b>(1,012,409,207)</b>		<b>9,703,136,303</b>	<b>(607,846,903)</b>	

As at 31st March, the aging analysis of trade receivables and provision for impairment were as follows for the Company.

As at 31 March	2025			2024		
	Gross carrying amount LKR	Provision for impairment (according to SLFRS 9) LKR	Weighted average loss rate	Gross carrying amount LKR	Provision for impairment (according to SLFRS 9) LKR	Weighted average loss rate
Current (Not past due)	4,203,884,572	(7,771,850)	0.18%	2,227,651,373	-	-
<b>Past due</b>						
< 30 days	2,371,341,101	(1,865,599)	0.08%	1,080,528,134	(173,035)	0.02%
30-60 days	435,923,535	(2,817,799)	0.65%	754,372,513	(4,572,328)	0.61%
61-90 days	291,061,705	(1,924,878)	0.66%	265,389,959	(1,825,385)	0.69%
91-120 days	256,347,521	(1,802,785)	0.70%	153,078,721	(2,626,175)	1.72%
> 120 days	3,225,190,320	(836,653,714)	25.94%	3,680,184,940	(461,974,333)	12.55%
<b>Total</b>	<b>10,783,748,754</b>	<b>(852,836,624)</b>		<b>8,161,205,640</b>	<b>(471,171,256)</b>	

#### Collateral acquired for mitigating credit risk

The Group whenever possible, obtain collaterals in the form of unconditional and irrevocable bank guarantee that can be encashed on demand or advances are provided to cover the receivable. The Group focuses on the realisability of such collateral to mitigate potential credit loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 37.3.2 Financial instruments and cash deposits

Credit risk from balances with banks and financial institution is managed by the Group's treasury management in accordance with the Group's policy.

Treasury management established "investment policies" in place, funds invest with high liquidity and high level of safety. The funds may invest in investments grade assets with a rating award by rating agencies or awarded internally by the fund management company.

The Group held short term deposits and cash and cash equivalent as at 31 March 2025 which represents its maximum credit exposure on these assets.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities. Cash and cash equivalents has not been materially impaired.

As at 31 March 2025 - 100%, (2024 - 90%) and 2025 - 100%, (2024 - 99%) of the favorable balances of bank and financial institution were rated "A" or better for the Group and Company respectively.

Fitch rating	Group				Company			
	2025		2024		2025		2024	
	LKR	%	LKR	%	LKR	%	LKR	%
AA+	-	0%	-	0%	-	0%	-	0%
AA	-	0%	-	0%	-	0%	-	0%
AA-	2,234,017,454	94%	1,287,115	0%	1,049,636,028	98%	1,287,115	0%
A+	1,687,754	0%	-	0%	902,525	0%	-	0%
A	137,681,936	6%	4,329,826,412	90%	15,696,145	1%	1,619,539,030	99%
A-	-	0%	492,719,407	10%	-	0%	20,344,601	1%
BBB-	-	0%	-	0%	-	0%	-	0%
B+	-	0%	-	0%	-	0%	-	0%
Not Rating	-	0%	-	0%	-	0%	-	0%
<b>Total</b>	<b>2,373,387,144</b>	<b>100%</b>	<b>4,823,832,934</b>	<b>100%</b>	<b>1,066,234,698</b>	<b>99%</b>	<b>1,641,170,746</b>	<b>100%</b>

The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2025 and 2024 is the carrying amounts as illustrated in Note 35.

### 37.4 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group monitors its risk of a shortage of funds using a liquidity planning tools. The Group's approach of managing liquidity risk is to ensure as far as possible that it will always have sufficient liquidity meets its liability when due, and maintaining the balance between financial assets and liabilities and forecasting cash flows from operating activities under both normal and stressed conditions, without incurring unacceptable losses or risking damages to the Group's reputation.

The mixed approach combines elements of the cash flow matching approach and the liquid assets approach. The business units attempt to match cash outflows in each time bucket against a

combination of contractual cash inflows plus other inflows that can be generated through the sale of assets, repurchase agreement or other secured borrowing. The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt instruments at an amount in excess of expected cash flows on financial liabilities. To measure and mitigate liquidity risk, the Company closely monitors its net operating cash flow, forecasting and maintaining a level of cash and cash equivalents and secured committed funding facilities from financial institutions.

As disclosed in Note 2.8, Board of directors satisfied that the Group and Company have adequate liquidity and business plan to continue business operations and mitigate the increase liquidity risk arising from macro economic implication, for the next 12 months from the reporting date.

### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### Maturity Analysis

The table below summaries, the maturity profile of Group's/ Company's financial liabilities at 31 March 2025 based on contractual payments.

	Contractual cash flow					
	Carrying amount LKR	Total LKR	On demand LKR	6 months or less LKR	6-12 months LKR	More than 1 year LKR

#### Non-derivative financial liabilities - Group

Bank overdrafts	726,020,147	726,020,147	726,020,147	-	-	-
Trade and other payables	13,163,629,359	13,163,629,359	-	11,053,833,501	-	2,109,795,857
Amounts due to related parties	591,922,227	591,922,227	-	591,922,227	-	-
Interest bearing borrowings	26,840,406,690	32,234,115,207	-	-	7,090,996,161	25,143,119,045
Unclaimed dividend	18,918,459	18,918,459	18,918,459	-	-	-
Lease liabilities	205,849,558	653,947,595	-	59,772,214	59,772,214	534,403,167

	Contractual cash flow					
	Carrying amount LKR	Total LKR	On demand LKR	6 months or less LKR	6-12 months LKR	More than 1 year LKR

#### Non-derivative financial liabilities - Company

Trade and other payables	6,710,719,110	6,710,719,110	-	6,184,586,189	-	526,132,922
Amounts due to related parties	384,453,829	384,453,829	-	287,220,448	97,233,381	-
Interest bearing borrowings	15,678,337,343	17,951,234,559	-	-	2,734,301,235	15,216,933,324
Unclaimed dividend	14,525,219	14,525,219	14,525,219	-	-	-
Lease liabilities	128,589,647	328,228,384	-	15,704,304	15,704,304	296,819,776

# NOTES TO THE FINANCIAL STATEMENTS

The table below summaries, the maturity profile of Group's/Company's financial liabilities at 31 March 2024 based on contractual payments.

	Contractual Cash flow					
	Carrying amount LKR	Total LKR	On demand LKR	6 months or less LKR	6-12 months LKR	More than 1 year LKR

## Non-derivative financial liabilities-Group

Bank overdrafts	201,888,879	201,888,879	201,888,879	-	-	-
Trade and other payables	12,214,272,005	12,214,272,005	-	11,589,689,658	-	624,582,347
Amounts due to related parties	385,434,999	385,434,999	-	385,434,999	-	-
Interest bearing borrowings	21,257,924,515	26,651,633,032	-	-	4,474,775,025	22,176,858,007
Unclaimed dividend	19,130,987	19,130,987	19,130,987	-	-	-
Lease liabilities	267,255,609	654,515,594	-	53,900,850	53,900,850	546,713,894

	Contractual Cash flow					
	Carrying amount LKR	Total LKR	On demand LKR	6 months or less LKR	6-12 months LKR	More than 1 year LKR

## Non-derivative financial liabilities-Company

Bank overdrafts	-	1,553,000,662	-	-	-	-
Trade and other payables	7,561,569,859	7,561,569,859	-	7,131,650,303	-	429,919,556
Amounts due to related parties	172,734,914	229,089,551	-	75,501,533	97,233,381	-
Interest bearing borrowings	13,991,770,239	16,264,667,455	-	-	2,560,872,322	13,703,795,133
Unclaimed dividend	15,021,575	19,656,006	15,021,575	-	-	-
Lease liabilities	117,656,206	328,796,384	-	9,832,940	9,832,940	309,130,504

## 37.5 Market risk

Market risk is the risk that fair value of future cash flows of financial instruments will fluctuate because of changes in market price. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Group Management.

Market risk comprise of the following types of risk:

- I. Interest rate risk
- II. Currency risk
- III. Commodity price risk
- IV. Equity price risk

Financial instruments affected by market risk include loans and borrowings, deposits, debt, equity and derivative financial instruments.

### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes market interest rates relates primarily to the Group long - term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate financial instruments. Group treasury designed capital structure guidelines for each projects at the planning stage and thereby maintains optimised level of gearing in the group. The Group manage its interest rate risk by monitoring and managing cash flows negotiating favorable rates on borrowings and deposits including and maintaining on appropriate combination of fixed and floating rate risk.

Capital Structure as at 31st March,	Note	Group		Company	
		2025 LKR	2024 LKR	2025 LKR	2024 LKR
Loans and borrowings	26.2	26,840,406,689	21,257,924,515	15,678,337,343	13,991,770,239
Bank overdraft	23	726,020,147	201,888,879	-	-
Total borrowings		27,566,426,836	21,459,813,394	15,678,337,344	13,991,770,240
Equity		42,712,977,934	38,243,040,976	27,994,683,314	25,461,321,138
Debt / Equity		64.54%	56.11%	56.00%	54.95%

### Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group is as follows.

	Group		Company	
	2025 LKR	2024 LKR	2025 LKR	2024 LKR
<b>Fixed rate instruments</b>				
Financial assets	153,284	1,416,886,032	-	-
Financial liabilities	5,165,530,535	12,543,027,881	4,550,000,000	6,292,080,000
<b>Variable rate instruments</b>				
Financial liabilities	22,400,896,302	8,916,785,513	11,128,337,343	7,699,690,239

### Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. Due to the significant volatility observed in interest rates especially during the later part of the financial year and there after, a fluctuation of 100 basis points is considered for the sensitivity analysis for financial liabilities of variable rate instruments as at reporting date, compared to a fluctuation of 100 basis points considered in the last financial year. This analysis assumes that all other variables, in particular foreign currency interest rates, remain constant.

	Increase/Decrease	Effect on profit before tax	
		Group LKR	Company LKR
Variable rate instruments	2025 + 100bp	(2,240,090)	(1,112,834)
	- 100bp	2,240,090	1,112,834
	2024 + 100bp	(871,490)	(769,967)
	- 100bp	871,490	769,967

# NOTES TO THE FINANCIAL STATEMENTS

## Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign currency deposits. These currencies primarily are the Euro, US Dollars (USD), Pound (GBP), Chinese Renminbi and Japanese Yen.

The Group hedges its exposure to fluctuations on the translation of its foreign operations by forward contracts and matching sales and purchases to same currency. The Group's Treasury management closely monitors the exchange rate fluctuations and advises management regular basis.

## Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows,

	2025					2024				
	EUR	USD	GBP	SGD	JPY	EUR	USD	GBP	SGD	JPY
Trade and other receivables	3,536,584	10,492,611	-	-	11,300,000	2,963,443	15,417,307	-	-	9,488,000
Cash at bank	56,867	2,320,022	18,944	-	1,825,538	73,984	5,034,395	18,803	-	1,825,536
Trade and other payables	(1,963,519)	(22,611,011)	-	-	-	(2,348,556)	(485,155)	-	-	272,097
Net Statement of financial position exposure	1,629,933	(9,798,378)	18,944	-	13,125,538	688,871	19,966,547	18,803	-	11,585,633

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows,

	2025			2024		
	EUR	USD	GBP	EUR	USD	GBP
Trade and other receivables	3,536,584	1,005,430	-	2,905,814	2,628,751	-
Cash at bank	56,867	411,564	18,944	56,726	4,453,723	18,803
Trade and other payables	(1,963,519)	(497,409)	-	(2,099,506)	(485,155)	-
Net Statement of financial position exposure	1,629,933	919,585	18,944	863,034	6,597,319	18,803

The following significant exchange rates were applicable during the year 2024/25 & 2023/24.

	Company/Group year end spot rate	
	2025 LKR	2024 LKR
EUR	319.78	325.22
USD	296.32	300.44
GBP	383.61	379.54
SGD	221.01	222.90
JPY	1.97	1.99

### Sensitivity Analysis

A reasonably possible strengthening (weakening) of the Euro, US Dollars (USD), Pound (GBP), Singapore Dollar (SGD) and Japanese Yen (JPY) against all other currencies as at 31st March would have affected the measurement of the financial instruments denominated in the foreign currency and affected equity and profit or loss by the amounts shown below. Due to the significant volatility observed in exchange rates especially during the later part of the financial year and there after, a fluctuation of 10% is considered for the sensitivity analysis as at reporting date, compared to a fluctuation of 15% considered in the last financial year. This analysis assumes that all other receivables in particular exchange rates remains constant and ignores.

Group	2025			2024	
	Strengthening LKR	Weakening LKR		Strengthening LKR	Weakening LKR
EUR (10% movement)	52,121,534	(52,121,534)	EUR (10% movement)	22,403,110	(22,403,110)
USD (10% movement)	(290,349,223)	290,349,223	USD (10% movement)	599,871,725	(599,871,725)
GBP (10% movement)	726,714	(726,714)	GBP (10% movement)	713,635	(713,635)
SGD (10% movement)	-	-	SGD (10% movement)	-	-
JPY (10% movement)	2,579,562	(2,579,562)	JPY (10% movement)	2,301,428	(2,301,428)

Company	2025			2024	
	Strengthening LKR	Weakening LKR		Strengthening LKR	Weakening LKR
EUR (10% movement)	52,121,534	(52,121,534)	EUR (10% movement)	28,067,167	(28,067,167)
USD (10% movement)	27,249,494	(27,249,494)	USD (10% movement)	198,208,778	(198,208,778)
GBP (10% movement)	726,714	(726,714)	GBP (10% movement)	713,635	(713,635)

### Equity Price Risk

The Group's listed and unlisted equity securities are susceptible to market price arising from uncertainties about future values of the investment securities. The Treasury management monitors the mix of debt and equity securities in investment portfolio based on market indicators and manage risk through diversification of portfolio. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to the equity investments at fair value listed on the Colombo Stock Exchange was LKR 31 Mn -2025 (LKR 55 Mn -2024). Following table shows the portfolio maintain in different sectors and all the listed equity instruments were measured based on the prices available as of 31 March 2025.

As at 31 March	2025		2024	
	Market value LKR	%	Market value LKR	%
Industry / Sector				
Banks	-	0%	1,637,000	3%
Capital Goods	1,911,800	6%	1,496,000	3%
Diversified Financials	810,409	3%	2,561,554	5%
Food Beverage & Tobacco	26,947,598	86%	25,921,973	47%
Materials	-	0%	23,175,000	42%
Utilities	1,603,527	5%	-	-
	31,273,333	100.00%	54,791,527	100.00%

# NOTES TO THE FINANCIAL STATEMENTS

## 37.6 Capital management

Capital management is financial strategy aimed ensuring maximum efficiency in a company's cash flow. The Group's objective of capital management is to maintain strong financial position healthy capital ratios in order to safeguard the company's ability to continue as a going concern in order to maximize shareholder value. Capital consists of share capital, reserves, retained earnings and non-controlling interests of the group. The Group's management and board of directors monitor the return on capital and dividends to ordinary shareholders.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions.

In order to achieve this overall objective, the Group's capital management, amongst

other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 2024.

## 37.7 Distribution made and proposed

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the

distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognised directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of Profit or Loss.

Distribution made and proposed are disclosed in note 24.3.

## 38. OTHER DISCLOSURES

The information has been reclassified with the current year's classification in order to provide a better presentation.

	Current Presentation		As disclosed previously Presentation	
	Group	Company	Group	Company
	2024	2024	2024	2024
<b>Statement of Financial Position</b>				
Property, plant and equipment	6,124,025,620	6,066,782,580	3,988,274,002	3,931,030,960
Trade and other receivables	15,737,123,037	15,794,366,079	9,509,405,510	9,566,648,552
<b>Statement of Profit or Loss and Other Comprehensive Income</b>				
Other income	319,847,921	550,957,525	755,801,249	972,879,856
Finance income	621,580,586	390,470,983	523,513,313	306,434,706
<b>Statement of Cash Flows</b>				
Net finance cost	2,365,284,062	2,596,393,664	1,772,774,969	1,989,853,577
Trade and other receivables	215,797,603	273,040,645	358,484,919	415,727,961
Purchase of property, plant and equipment	406,058,485	348,815,443	225,392,574	168,149,532
Net investment in equity instrument	(2,265,793)	-	(2,265,793)	-

# SUPPLEMENTARY INFORMATION

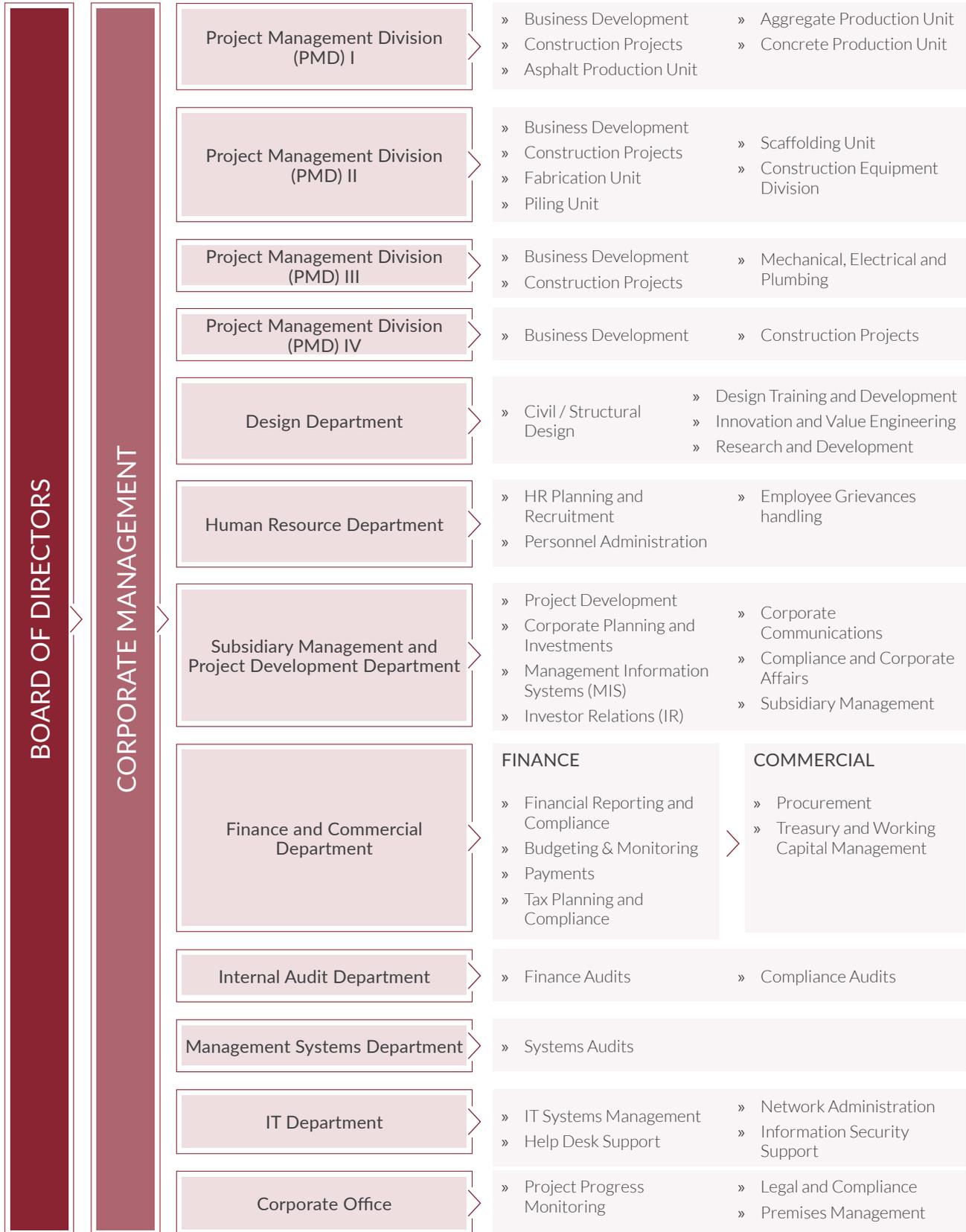


## Expanding the Horizon

At Access Engineering, we are committed to broadening transparency and deepening stakeholder understanding. Through comprehensive disclosures and additional data, we extend the narrative beyond core reporting—offering greater context, clarity, and insight into our performance, governance, and long-term impact.

342	Operating Structure
343	Ten-year Summary
344	Directors of Group Companies
345	Notice of Meeting
347	Form of Proxy

# OPERATING STRUCTURE



# TEN-YEAR SUMMARY

	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
--	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

## Statement of Profit or Loss and Other Comprehensive Income Highlights

Revenue	LKR Mn.	<b>34,511</b>	21,501	20,565	39,630	23,837	24,027	32,277	26,056	20,448	17,625
Gross profit	LKR Mn.	<b>11,896</b>	7,356	5,859	5,312	4,138	3,808	5,184	4,061	4,732	3,977
EBITDA	LKR Mn.	<b>10,798</b>	7,939	10,015	8,315	4,050	3,419	4,891	5,677	4,300	3,748
EBIT	LKR Mn.	<b>9,610</b>	6,834	8,816	5,784	3,225	2,688	4,173	5,044	3,381	2,900
Net finance income/(cost)	LKR Mn.	<b>(1,717)</b>	(2,365)	(3,863)	(1,034)	(573)	(577)	(651)	(383)	150	95
Profit for the year	LKR Mn.	<b>6,291</b>	6,854	2,436	5,130	2,393	928	2,245	2,463	2,746	2,551
Profit attributable to owners	LKR Mn.	<b>6,310</b>	6,861	2,482	5,110	2,386	979	2,150	2,507	2,708	2,465

## Statement of Financial Position Highlights

Property, plant and equipment	LKR Mn.	<b>9,114</b>	6,124	5,570	6,604	5,708	4,937	5,198	5,980	5,428	4,791
Total non-current assets	LKR Mn.	<b>59,717</b>	54,309	44,412	33,566	25,688	19,705	20,144	21,171	16,074	12,357
Cash and cash equivalent	LKR Mn.	<b>2,456</b>	3,459	696	2,208	2,223	2,164	2,486	1,394	950	504
Short term deposits	LKR Mn.	<b>0.15</b>	1,417	2,569	2,136	1,780	1,269	2,210	2,041	2,922	6,792
Total assets	LKR Mn.	<b>109,979</b>	98,532	82,716	81,847	56,060	50,078	48,062	44,439	36,046	30,343
Stated capital	LKR Mn.	<b>9,000</b>	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Retained earnings	LKR Mn.	<b>30,311</b>	26,018	19,741	18,610	14,245	12,365	11,936	10,388	9,590	8,362
Equity attributable to equity holders	LKR Mn.	<b>40,127</b>	35,834	29,557	28,187	23,825	21,834	21,195	19,793	18,840	17,462
Loans and borrowings	LKR Mn.	<b>26,840</b>	21,258	16,239	23,047	8,963	10,967	8,735	9,086	5,737	5,846
Total non-current liabilities	LKR Mn.	<b>23,871</b>	20,962	16,234	21,419	8,695	2,953	7,533	7,528	5,680	5,603

## Statement of Cash Flow Highlights

Cash flows from operating activities	LKR Mn.	<b>(1,262)</b>	4,546	13,645	(6,008)	8,529	(2,191)	1,876	630	1,994	3,168
Cash flows from investing activities	LKR Mn.	<b>(4,060)</b>	(4,679)	(9,173)	(4,465)	(5,808)	(224)	302	(2,226)	(1,327)	(9,251)
Cash flows from/(used in) financing activities	LKR Mn.	<b>3,795</b>	4,455	(7,614)	10,653	(2,473)	1,907	(851)	1,753	(87)	4,532

## Key Financial Ratios

EPS	LKR	<b>6.31</b>	6.86	2.48	5.11	2.39	0.98	2.15	2.51	2.71	2.47
DPS	LKR	<b>2.00</b>	0.50	0.75	0.75	0.50	0.50	0.50	1.20	1.50	0.75
Net assets per share	LKR	<b>40.13</b>	35.83	29.56	28.19	23.83	21.83	21.19	19.79	18.84	17.46
Dividend payout	%	<b>32</b>	7	30	14.68	21.00	51.00	23.00	47.86	55.39	30.36
ROE	%	<b>14.73</b>	17.92	7.62	16.74	9.00	3.80	9.52	11.15	12.70	14.10
ROCE	%	<b>13.47</b>	11.15	16.25	7.84	8.40	6.60	11.69	14.83	12.30	12.30
Gearing	%	<b>66.89</b>	59.32	54.94	81.76	37.62	50.23	41.21	43.70	30.50	34.80
Current ratio	Times	<b>1.16</b>	1.12	1.11	1.62	1.46	1.30	1.70	1.57	2.30	2.70
Quick ratio	Times	<b>0.58</b>	0.61	0.65	1.13	1.04	1.00	1.30	1.16	1.70	2.30
Price per share	LKR	<b>38.50</b>	22.60	14.20	15.00	22.10	13.20	13.00	20.50	23.80	20.80

## Investor Highlights

Total number of shareholders	No.	<b>9,806</b>	8,951	9,947	9,795	9,712	8,832	7,226	5,816	6,119	5,757
Percentage of public holding	%	<b>38.25</b>	40.00	40.10	39.94	39.81	42.84	41.93	42.31	39.59	37.92
Value of shares traded	LKR Mn.	<b>13,485</b>	2,290	1,932	9,588	10,789	6,757	1,637	2,729	3,625	4,570
Number of trades	No.	<b>65,221</b>	23,367	35,852	75,415	86,541	71,138	24,276	10,750	25,709	36,018

# DIRECTORS OF GROUP COMPANIES

Company Name	Names of Directors	Company Name	Names of Directors
Sathosa Motors PLC	S J S Perera	ZPMC Lanka Company (Private) Limited	C Qiang
	J C Joshua		L Qiang
	D A R Fernando		Z Zhiyong
	S D Munasinghe		J C Joshua
	I S N Fernando		S D Munasinghe
	M D Joshua* appointed w.e.f. 1 October 2024	Blue Star Realities (Private) Limited	S J S Perera
	R S Dahanayake		S J Fernando
	T C D Kumarasiri* appointed w.e.f. 1 November 2024		H L G Erandika
W A M Wimalaratna* appointed w.e.f. 1 January 2025	A M Alamoti		
Access Realities (Private) Limited	S J S Perera	M Dehghan	
	J C Joshua	A Shafei	
	D A R Fernando	Access Motors (Private) Limited	S J S Perera
	S H S Mendis		S D Munasinghe
	S D Munasinghe		S M P K Dissanayake
S D Perera	T T B C Fernando		
T A A Fernando			
Access Realities 2 (Private) Limited	S J S Perera	Access Logistics Park Ekala (Private) Limited	S J S Perera
	J C Joshua		J C Joshua
	D A R Fernando		D A R Fernando
	S H S Mendis		I S N Fernando
S D Munasinghe	L N A Silva		
A R L Elevate(Private) Limited	S J S Perera	AEL East Africa Limited	S J S Perera
	J C Joshua		J C Joshua
	D A R Fernando		D A R Fernando
	S H S Mendis		S H S Mendis
	S D Munasinghe		R M R K Wickramasinghe
S D Perera	M P D T Kumara		
Access Projects (Private) Limited	S J S Perera	T A L Niroshan	
	D A R Fernando	S N Mbaa	
	I N Pushpa Kumar	Access - Chec JV (PVT) Ltd	J C Joshua
	P M D T Kumara		D A R Fernando
Harbour Village (Private) Limited	S J S Perera		N Zeng
	J C Joshua		Xu Liqiang
	D A R Fernando	South Asia Commercial and Logistic Hub Limited	S D Munasinghe
	Xu Liqiang		K D Bernard
	Kang Yu		Z Wang
	Wang Gang		H Wang
	S D Munasinghe		Shaode Hu
R M R K Wickramasinghe	P Huang		
Nan Mu			
W U S Logistics (Private) Limited	S J S Perera	Access Medical Tracers (Private) Ltd	S J S Perera
	J C Joshua		J C Joshua
	D A R Fernando		D A R Fernando
	I S N Fernando		S H S Mendis
L N A Silva	S D Munasinghe		
Access Logistics (Private) Limited	S J S Perera		Shamal J S Perera
	J C Joshua		L N A Silva
	D A R Fernando		N R Perera
	I S N Fernando		L N A Silva
	L N A Silva		R M T Damayanthi
Lanka AAC (Private) Limited	S J S Perera	A Jasinghe	
	J C Joshua	G R D Sunil - Alternative Director	
	D A R Fernando	Access Engineering Port Services (Private) Ltd	J C Joshua
	L P Gamalathge		D A R Fernando
	I M S Bandara		S H S Mendis
	P N A Pathirana		S D Munasinghe
P B R Dissanayake	Shamal J S Perera		
T S P De Silva			

# NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Access Engineering PLC will be held at The Ceylon Chamber of Commerce, No. 50, Nawam Mawatha, Colombo 02 on 27th August 2025 at 2.00 p.m. and the business to be brought before the Meeting will be:

## 1. Ordinary Business

- 1.1 To receive the Annual Report of the Board of Directors on the affairs of the Company and its subsidiaries and the Financial Statements for the year ended 31st March 2025 and the Report of the Auditors thereon.
- 1.2 To re-elect Mr. Shamal Joseph Shavindra Perera as a Director who retires by rotation in terms of Articles 88 and 89 of the Articles of Association of the Company.
- 1.3 To re-elect as a Director, Mr. Condagamage Vajira Kulatilaka who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.
- 1.4 To re-elect as a Director, Mr. Manoha Jude Sergius Rajakariar who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.
- 1.5 To re-elect as a Director, Mr. Ranil Prasad Pathirana who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.
- 1.6 To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company and to authorize the Directors to determine their remuneration.
- 1.7 To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.

## 2. Special Business

- 2.1 To consider and if thought fit, to pass the following resolution as a Special Resolution:

IT IS HEREBY RESOLVED THAT the Articles of Association of the Company be amended:

- (1) by the deletion of Article 58 under the heading "Resolution in lieu of Meeting" in its entirety and the substitution therefor of the following new Article 58 ;

### "METHODS OF HOLDING GENERAL MEETINGS

58. (1) A General Meeting of shareholders may be held -
- (i) by a number of shareholders who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; (hereinafter sometimes referred to as the Physical General Meeting); or
  - (ii) by means of audio, or audio and visual communication by which all shareholders participating and constituting a quorum can simultaneously hear each other throughout the meeting (hereinafter sometimes referred to as Electronic General Meeting); or

(iii) by a meeting held both physically and electronically (called Hybrid General Meeting); or

(iv) by means of a resolution in writing signed by not less than Eighty-Five per centum (85%) of the Shareholders who would be entitled to vote on a resolution at a meeting of Shareholders, who together hold not less than Eighty-Five per centum (85%) of the votes entitled to be cast on that resolution.

(2) The Board shall determine whether a General Meeting is to be held as a Physical General Meeting as referred to in 58(1)(i) or held as an Electronic General Meeting as referred to in 58(1)(ii) or held as a Hybrid General Meeting, both physically and electronically, as referred to in 58(1)(iii) or by a Resolution in writing as referred to in 58(1)(iv).

(3) The Board shall specify in the notice calling the General Meeting whether the meeting will be physical or electronic or hybrid or by a Resolution in writing. Such notice shall also specify (as applicable) the time, date, and place and/or electronic platform(s) of the General Meeting, as it is determined.

(4) (i) When conducting an Electronic General Meeting, the Board shall enable persons to simultaneously attend by electronic means, with no shareholder necessarily in physical attendance at the Electronic General Meeting. The shareholders or their proxies present shall be counted in the quorum for, and entitled to vote at, the General Meeting in question.

(ii) If it appears to the Chairman of the General Meeting that the electronic platform(s), facilities, or security at the Electronic General Meeting have become inadequate for the purposes referred to herein then the Chairman may, without the consent of the meeting, interrupt to resolve such inadequacy where possible or adjourn the General Meeting. All business conducted at that General Meeting up to the time of that adjournment shall be valid and the provisions of Article 62 shall apply to that adjournment.

(iii) In relation to an Electronic General Meeting, the right of a shareholder to participate in the business of any General Meeting shall include, without limitation, the right to speak, vote on a poll, be represented by a proxy, and have access (including electronic access) to all documents which are required by the Act or these Articles to be made available for/at the meeting."

(2) by the deletion of the word "three" and the substitution therefor of "five" in line 1 of the Article 80;

(3) by the deletion of the word "Ordinary" and the substitution therefor of "Special" in line 1 of the Article 82;

(4) by the deletion of Articles 121 under the existing heading, 'Alternate Directors' in its entirety and the substitution therefor of the following new Article 121;

# NOTICE OF MEETING

## “ALTERNATE DIRECTORS

121. (i) Subject to the Statutes and other laws applicable in respect of the composition of the Board, a Director may, due to exceptional circumstances, by notice in writing under his hand delivered to the Secretary, nominate an individual to be appointed as an Alternate Director of the Company for a maximum period of one (1) year from the date of appointment to attend to the duties of the Director in his absence, and the following provisions of these Articles shall apply to any person so appointed.

(ii) If an Alternate Director is appointed for a Non-Executive Director, such Alternate Director shall not be an executive of the Company.

(iii) If an Alternate Director is appointed to represent an Independent Non-Executive Director, such Alternate Director shall meet the criteria for independence specified in the Listing Rules of the Colombo Stock Exchange.

iv) The appointment of an Alternate Director shall be subject to the approval of the Board”

(5) by the inclusion of the words and figures ‘including the signing of resolutions in writing to be passed by circulation under Article 118 hereof.’ at the end of Article 123(i);

(6) by the inclusion of the words “Subject to Article 121, an” at the beginning of the Article 124 in place of the word “An”;

(7) by the deletion of the words “if the Directors resolve” in line 1 of Article 124(iv) and the substitution therefor of “If the Board resolves”;

(8) by the inclusion of following paragraph at the end of Article 157 ;

“The Company may serve notice by electronic mail to an electronic mail account notified by a shareholder in writing or any other acceptable means, to the Company or to the Central Depository Systems (Pvt) Ltd. Where electronic mail is used, the document or notice shall be deemed to have been received by the shareholder upon the dispatch of same by the Company through electronic mail.”

(9) by the deletion of Article 162 in its entirety and the substitution therefor of the following new Article 162;

162. “Any notice required to be or which may be given by advertisement shall unless otherwise required by statute be published in Sinhala, Tamil and English national daily newspapers. The Company may if so permitted by statute, publish any notice required to be given to the shareholders on the official website of the Company and/or on the official website of the Colombo Stock Exchange (if the Company is listed on the Colombo Stock Exchange).”

**By Order of the Board  
Access Engineering PLC**



**P W CORPORATE SECRETARIAL (PVT) LTD  
Director/Secretaries**

22 July 2025  
Colombo

## Notes to shareholders:

1. A shareholder entitled to participate and vote at the meeting is entitled to appoint a proxy to participate and vote in his/her place by completing the Form of Proxy enclosed herewith.
2. A proxy need not be a Shareholder of the Company.
3. The Form of Proxy is enclosed for this purpose.
4. The completed Form of Proxy should be deposited at the Registered Office of the Company, No.278, Union Place, Colombo 2 by 2.00 a.m. on 26th August 2025.

# FORM OF PROXY

I/We\*.....  
 (NIC/Passport/Co. Reg. No. ....) of.....  
 .....being a shareholder / shareholders of **ACCESS ENGINEERING PLC** hereby appoint  
 ..... (NIC/Passport No.....) of.....  
 ..... or failing him/her\*;

Mr. Sumal Joseph Sanjiva Perera	or failing him*
Mr. Joseph Christopher Joshua	or failing him*
Mr. Dalpadoruge Anton Rohana Fernando	or failing him*
Mr. Shevantha Harindra Sudhakara Mendis	or failing him*
Mr. Saumaya Darshana Munasinghe	or failing him*
Mr. Suresh Dilhan Perera	or failing him*
Mr. Shamal Joseph Shavindra Perera	or failing him*
Mr. Condagamage Vajira Kulatilaka	or failing him*
Mr. Manoha Jude Sergius Rajakariar	or failing him*
Mr. Ranil Prasad Pathirana	

as my/our\* proxy to represent and speak and vote as indicated hereunder for me/us\* and on my/our\* behalf at the Fourteenth Annual General Meeting of the Company to be held on 27th August 2025 and at every poll which may be taken in consequence of the aforesaid Meeting and at any adjournment thereof.

1. ORDINARY BUSINESS		
	For	Against
<b>Resolution 1</b>		
To re-elect Mr. Shamal Joseph Shavindra Perera as a Director who retires by rotation in terms of Articles 88 and 89 of the Articles of Association of the Company.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>		
To re-elect as a Director, Mr. Condagamage Vajira Kulatilaka who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>		
To re-elect as a Director, Mr. Manoha Jude Sergius Rajakariar who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b>		
To re-elect as a Director, Mr. Ranil Prasad Pathirana who was appointed to the Board since the date of the last Annual General Meeting in terms of Article 95 of the Articles of Association.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5</b>		
To re-appoint Messrs KPMG, Chartered Accountants as the Auditors of the Company and to authorize the Directors to determine their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6</b>		
To authorize the Directors to determine donations for the year ending 31st March 2026 and up to the date of the next Annual General Meeting.	<input type="checkbox"/>	<input type="checkbox"/>

# FORM OF PROXY

## 1. SPECIAL BUSINESS

	For	Against
<b>Resolution 1</b>		
To pass the Special Resolution as set out in item 2.1 of the Notice of Meeting		

In witness my/our\* hands this ..... day of ..... Two Thousand and Twenty Five.

.....  
Signature of Shareholder/s

\* Please delete the inappropriate words.  
Instructions as to completion appear on the reverse.

### INSTRUCTIONS AS TO COMPLETION

1. The full name, National Identity Card number and the registered address of the shareholder appointing the Proxy and the relevant details of the Proxy should be legibly entered in the Form of Proxy which should be duly signed and dated.
2. The completed Proxy should be deposited at the Registered Office of the Company, No.278, Union Place, Colombo 2 by 2.00 a.m. on 26th August 2025.
3. The Proxy shall –
  - a. In the case of an individual be signed by the shareholder or by his attorney, and if signed by an attorney, a notarially certified copy of the Power of Attorney should be attached to the completed Proxy if it has not already been registered with the Company.
  - b. In the case of a company or corporate / statutory body either be under its Common Seal or signed by its Attorney or by an Officer on behalf of the Company or corporate / statutory body in accordance with its Articles of Association or the Constitution or the Statute. (as applicable)
4. If you wish to appoint a person other than the Chairman or a Director of the Company as your Proxy, please insert the relevant details in the space provided.
5. Please indicate with a 'X' in the space provided how your Proxy is to vote on each resolution. If no indication is given, the Proxy in his discretion will vote as he thinks fit.
6. In the case of joint holders the Form of Proxy must be signed by the first holder.

# CORPORATE INFORMATION

## NAME OF COMPANY

Access Engineering PLC

## REGISTERED OFFICE

Access Engineering PLC

Access Tower,

278, Union Place,

Colombo 02.

Tel: +94 11 7606606

Fax: +94 11 7606605

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

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

## LEGAL FORM

A Public Limited Liability Company incorporated in Sri Lanka on 31st July 2001 under the Companies Act

No. 17 of 1982 and Re-registered under the Companies Act No. 07 of 2007 on 06th February 2008.

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

## COMPANY REGISTRATION NUMBER

P B 200 PQ

## BANKERS

Bank of Ceylon

Sampath Bank PLC

Hatton National Bank PLC

Nations Trust Bank PLC

Commercial Bank of Ceylon PLC

DFCC Bank PLC

People's Bank

National Development Bank PLC

Union Bank of Colombo PLC

Cargills Bank Limited

CAC International Bank

International Commercial Bank

Seylan Bank PLC

## DIRECTORS

S J S Perera - Chairman

J C Joshua - Executive Vice Chairman

D A R Fernando - Managing Director

S H S Mendis

S D Munasinghe

S D Perera

Shamal J S Perera

C V Kulatilaka - appointed w.e.f. 1 October 2024

M J S Rajakariar - appointed w.e.f. 1 November 2024

R P Pathirana - appointed w.e.f. 31 December 2024

Prof. K A M K Ranasinghe - resigned w.e.f. 31 December 2024

N D Gunaratne - resigned w.e.f. 31 December 2024

D S Weerakkody - resigned w.e.f. 31 December 2024

## AUDIT COMMITTEE

M J S Rajakariar - Chairman

C V Kulatilaka

R P Pathirana

S D Perera

Shamal J S Perera

## REMUNERATION COMMITTEE

R P Pathirana - Chairman

M J S Rajakariar

C V Kulatilaka

Shamal J S Perera

## RELATED PARTY TRANSACTIONS REVIEW COMMITTEE

M J S Rajakariar - Chairman

C V Kulatilaka

R P Pathirana

D A R Fernando

## NOMINATION AND GOVERNANCE COMMITTEE

C V Kulatilaka - Chairman

R P Pathirana

S J S Perera

## INVESTMENT AND SUBSIDIARY PERFORMANCE MONITORING COMMITTEE

C V Kulatilaka - Chairman

M J S Rajakariar

R P Pathirana

Shamal J S Perera

J C Joshua

D A R Fernando

## REGISTRARS

Central Depository Systems (Pvt) Limited

Ground Floor, M & M Centre, 341/5, Kotte Road,

Rajagiriya

Tel: +94 11 2356444

Fax: +94 11 2440396

## SECRETARIES

P W Corporate Secretarial (Private) Limited

No 3/17, Kynsey Road,

Colombo 08.

Tel: +94 11 4640360

Fax: +94 11 4740588

## AUDITORS

Messrs KPMG

Chartered Accountants

32A, Sir Mohamed Macan Markar Mawatha,

Colombo 03.

Tel: +94 11 2426426

Fax: +94 11 2445872

Designed & produced by

**emagewise**



**ACCESS ENGINEERING PLC**

Access Towers,  
278, Union Place,  
Colombo 2,  
Sri Lanka

 +94 11 760 6606

 +94 11 760 6605

 [investor.relations@accessengineeringplc.com](mailto:investor.relations@accessengineeringplc.com)

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