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Access Engineering share issue of Rs. 4.5 fully subscribed

The share issue of Access Engineering Limited (AEL) which opened on Monday, 6 June 2011, has been fully subscribed and was successfully concluded amidst positive sentiments and significant interest from investors. The issue which was opened for qualified investors identified by the Board of Access included institutional and high net worth investors, both local and foreign.

The company issued 180 million new shares at Rs. 25 per share, offering an approximate 18% shareholding of the Company raising a total of Rs. 4.5 billion in equity funds. The offering was amongst the largest placements done in the recent history of the Sri Lankan capital markets and was managed by NDB Investment Bank Limited (NDBIB), the premier investment bank in the country, whilst PW Corporate Services (Pvt) Limited acted as the registrars to the issue.

With the successful conclusion of the share issue, AEL intends to seek a listing for its ordinary shares on the Main Board of the Colombo Stock Exchange via an Initial Public Offering within a period of one year subject to the requisite approvals from regulatory authorities.

Sumal Perera, the Chairman of Access, commenting on the success of the issue, stated: "The overwhelming response to the AEL share issue in my view is not only a show of confidence by the institutional and individual investors in the future prospects of our company and the construction/engineering sector of Sri Lanka, but more importantly a recognition that Sri Lankan economy is well on course for sustainable growth and given that, the construction and engineering industry will be in the forefront of this growth."

He also mentioned that the company intends to utilise the funds raised via the share issue to finance future capital and working capital requirements that are expected to arise from proposed public-private partnership projects, investments in property development/township projects and to repay bank loans which have been obtained to finance the acquisition of plant and machinery.

"We are privileged to have worked with Access and play an active role in this momentous transaction of the Company which is a significant achievement in the capital market of Sri Lanka," said Vajira Kulatilaka, CEO, Investment Banking Cluster of the NDB Group.

Darshan Perera, CEO of NDBIB, stated: "The keen interest shown by investors for the share issue enabled the Company to fully subscribe and successfully conclude the fund raising amounting to Rs. 4.5 billion. With this level of enthusiasm, we are confident of having a very successful IPO within a period of one year which we believe would be a significant milestone in the construction sector as well as the capital markets of Sri Lanka."

Source : <http://www.ft.lk/2011/06/10/access-engineering-share-issue-of-rs-4-5-b-fully-subscribed/>