



NINECAP CORPORATE SOLUTIONS

30th December 2021

Mr. Renuke Wijeyawardhane
Chief Regulatory Officer
Colombo Stock Exchange
04-01, West Block,
World Trade Centre, Echelon Square,
Colombo 01.

Dear Sir,

INDUSTRIAL ASPHALTS (CEYLON) PLC CORPORATE DISCLOSURE

In terms of Section 8 of the Listing Rules of the Colombo Stock Exchange we write to inform you that Industrial Asphalts (Ceylon) PLC (IAC) for and on behalf of the proposed Joint Venture between IAC and Hiin Holdings Pte Ltd (Hiin) has entered into a Memorandum of Understanding (MoU) with Hambantota International Port Group (Private) Limited (HIPG) on 22nd December 2021. As per the terms of the MoU the clearance between both parties to make a public statement about the said MoU was received on 30th December 2021.

MoU with Hambantota International Port Group (HIPG)

Industrial Asphalts (Ceylon) PLC – IAC – on behalf of the proposed IAC/Hiin Joint Venture has entered into a Memorandum of Understanding with HIPG with an ultimate objective of establishing a Bitumen Tank Terminal at Hambantota International Port. The MoU will create the required environment to establish a fully integrated Bitumen Tank Farm within the premises of Hambantota International Port. The MoU will facilitate IAC along with its joint venture partner Hiin Holdings Pte Ltd to work with HIPG to carry out / finalize the ongoing financial and technical studies to establish a fully integrated Bitumen Tank Farm at Hambantota International Port. The commencement of the project is subject to signing a comprehensive agreement between IAC/Hiin and HIPG.

NINECAP CORPORATE SOLUTIONS (PVT) LTD

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Profile of Hambantota International Port Group (HIPG)

HAMBANTOTA INTERNATIONAL PORT GROUP (PRIVATE) LIMITED, bearing registration number **PV 124268** and having its registered address at “Hambantota Maritime Centre”, Mirijjawila, Hambantota is the exclusive Port Operator at Hambantota International Port, in Sri Lanka who has been granted the sole right to invest and operate in terminal related businesses in the Port.

Nature of the Proposed Joint Venture between Hiin Holdings Pte Ltd and Industrial Asphalts (Ceylon) PLC

Industrial Asphalts (Ceylon) PLC and Hiin Holdings Pte Ltd on entering into the MoU to explore opportunities in the bitumen space in Sri Lanka have identified onshore port-based bitumen terminal as meeting the partners’ investment and return expectation criteria. This venture would be structured as a 60:40 joint venture between IAC and Hiin. IAC/Hiin have further identified Hambantota Port to be the most strategically located and having the required infrastructure to establish the port-based bitumen tank farm. The markets catered to would encompass the home market as the anchor market and would reach to fast growing South Asian markets including India and Bangladesh. The Tank Terminal with its strategic position would be able to source bulk bitumen globally to supply to its intended markets; and at the same time would be able to source bulk bitumen from within the country for exports, when bulk bitumen is available in the required commercial quantities.

Industrial Asphalts (Ceylon) PLC will keep the market duly informed when a comprehensive agreement is signed with Hambantota International Port Group (HIPG).

Yours faithfully,

For and on behalf of

INDUSTRIAL ASPHALTS (CEYLON) PLC



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