NINECAP CORPORATE SOLUTIONS

28th August 2026

Ms. Nilupa Perera
Chief Regulatory Officer
Colombo Stock Exchange
04-01, West Block,
World Trade Centre, Echelon Square,
Colombo 01.

Dear Madam,

INDUSTRIAL ASPHALTS (CEYLON) PLC
ERRATA TO THE NOTES TO THE FINANCIAL STATEMENTS IN THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31ST MARCH 2026

Further to our disclosure dated 29th May 2026 under above captioned subject matter.

This Errata is issued to amend following figures and disclosures in the Interim Financial Statements for the quarter ended 31st March 2026, which was published on 29th May 2026.

1. **Page 3 – Statement of Comprehensive Income**

    a. **Administrative expenses** adjusted to **Rs.90,380** (previously reported as Rs.85,380) as the Company has accrued for 31 March 2026, the legal fees pertaining to the proposed sale of Investment Property instead of the disclosing as a contingent liability in the notes to the financial statements.
    b. **Gain / (Loss) on revaluation of investment property** adjusted to **Rs.122,000** (previously reported as Rs.525,000) the reason for the adjustment mentioned under note 5 to the financial statements on page 7.
    c. **Tax Expense** adjusted to **Rs. 49,357** (previously reported as Rs.169,166) amended due to deferred tax impact arising from change in revaluation of investment property.

2. **Page 4 – Statement of Financial Position**

    a. **Investment Property fair valuation** adjusted to **Rs.1,447,000** (previously reported as Rs.1,850,000) the reason for the adjustment mentioned under note 5 to the financial statements on page 7.
    b. **Deferred Tax Liability** adjusted to **Rs.59,294** (previously recorded as Rs.179,104) amended due to deferred tax impact arising from change in revaluation of investment property.

NINECAP CORPORATE SOLUTIONS (PVT) LTD
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c. **Other Payables** adjusted to **Rs.7,222** (previously reported as Rs.2,222) accrual of legal fees.

d. **Net Assets Value per Ordinary Share** adjusted to Rs.0.39 (previously recorded as 0.47)

3. **Page 5 – Statement of Changes in Equity**

   a. **Net Profit / (Loss) for the period** adjusted to **Rs.54,290** (previously recorded as Rs.342,480) amended due to above mentioned changes

4. **Page 6 – Statement of Cash Flows**

   a. **Cash flow from Operating Activities –**
   Gain / (Loss) on Revaluation of Investment Property, Increase/ (Decrease) in Accrued Expenses amended due to above mentioned changes.

   b. **Cash flow from Investing Activities –**
   Settlement of Payable on Equity Investments categorized under investment activities (previously categorized under operating activities)

5. **Page 7 and 8 – Notes to the Financial Statements –**

   a. **Note 3 wordings replaced by following disclosure**
   There have been no changes to the accounting policies applied by the Company. The valuation technique used to determine the fair value of the Company's Investment Property for the current period is described in Note 5. There have been no other changes to the methods of computation since the Company's audited financial statements for the year ended 31 March 2025, being the most recent audited financial statements available as at the date of this report.

   b. **Note 5 – Revaluation of Investment Property for year ended 31 March 2026 replaced by following disclosure**

   The Company obtained a valuation report for 31 March 2026 from Mr. N.A.A.D. Siri Nissanka, Chartered and Incorporated Valuer – FIV, FSVA, MSIZ, IRRV, FIABIC, on the basis of the Direct Capital Comparison Method. Mr. Nissanka's valuation treats the land as compensation land, received by the Company from the Government of Sri Lanka in lieu of freehold land lost during the 1983 civil disturbances, and accordingly values it on an effectively freehold basis. On this basis, the valuation given by Mr. Nissanka for 31 March 2026 is Rs. 1,850,000,000/-.

   Subsequently, the Investment Property was revalued by Mr. Thushal De Silva – FRICS of KPMG Real Estate & Valuation Services (Private) Limited. KPMG's valuation instead reflects the Company's present leasehold interest in the land, for the remaining term of the lease, and applies the Comparison Method to the leasehold land interest and the Depreciated Replacement Cost (DRC) method to the building. Under this approach, the land element is valued by determining an equivalent market rental for the freehold land and converting it to a capital value for the remaining lease term of 57.21 years, using yields appropriate to leasehold interests of this nature. On this basis, the total fair valuation given by KPMG for the Investment Property as at 31 March 2026 is Rs. 1,447,000,000/-.

The Board of Directors has considered both valuations and, having regard to the Company's present leasehold interest in the land, has adopted the more conservative valuation of Rs. 1,447,000,000/- given by KPMG Real Estate & Valuation Services (Private) Limited as the basis for the carrying value of the Investment Property as at 31 March 2026.

All figures in the financial statements are presented in LKR thousands.

Interim Financial Statements for 31st March 2026 with above mentioned changes are annexed hereto.

We sincerely regret the inconvenience caused in this regard.

Yours faithfully,

For and on behalf of
INDUSTRIAL ASPHALTS (CEYLON) PLC

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SECRETARIES