ANNOUNCEMENT MADE UNDER RULE 9 OF THE COMPANY TAKE-OVERS AND MERGERS CODE 1995 (AS AMENDED)

VOLUNTARY OFFER BY ARCASIA INVESTMENT & TRADING (PVT) LTD AND ATX PARTNERS (PVT) LTD TO ACQUIRE ALL THE ISSUED AND PAID SHARES IN INDUSTRIAL ASPHALTS (CEYLON) PLC

1. BACKGROUND TO THE OFFER

Arcasia Investment & Trading (Pvt) Ltd ("**ARCASIA**") and ATX Partners (Pvt) Ltd ("**ATX**") (collectively, the "**Offerors**") hereby announces that in compliance with the provisions of the Company Take-overs and Mergers Code 1995 issued by the Securities and Exchange Commission of Sri Lanka ("**SEC**") under the repealed Securities and Exchange Commission Act No.36 of 1987, published in the Gazette Extraordinary no.875/9 dated 16th June 1995 and amended by the Gazette Extraordinary no.1299/6 dated 29th July 2003 and now deemed to made under section 183 of the Securities and Exchange Commission Act No.19 of 2021 (the "**Code**"), the Offerors shall make a voluntary offer to the holders of all of the shares of Industrial Asphalts (Ceylon) PLC ("**IAC**" or "**Offeree**").

2. TERMS AND CONDITIONS OF THE OFFER

2.1. The Offerors intend to make a voluntary offer to acquire all the issued shares in IAC amounting to three billion seven hundred and forty nine million four hundred and eleven thousand two hundred and fifty (3,749,411,250) shares at a price of Sri Lanka Cents Forty (LKR 0.40) per share (the "**Offer**").

2.2. Mr. Ramanan Govindasamy, director of the IAC, holding one billion eight hundred million six hundred and ninety three thousand ten (1,800,693,010) shares amounting to approximately 48.03% of the total issued shares in IAC has agreed to sell the entirety of the shares held by him in IAC to the Offerors at a consideration of Sri Lanka Cents Forty (LKR 0.40) per share under the Offer, in terms of a binding share sale and purchase agreement dated 7th July 2026 entered into between the Offerors and the said Mr. Ramanan Govindasamy. Further, Mr. Srikumar Balasubramaniyam, has agreed to sell to the Offerors under the Offer, eighty million (80,000,000) shares in IAC, amounting to approximately 2.135% of the total issued shares in IAC at a consideration of Sri Lanka Cents Forty (LKR 0.40) per share, in terms of a binding agreement dated 7th July 2026 entered into between the Offerors and the said Mr. Srikumar Balasubramaniyam.

2.3. Accordingly, pursuant to abovementioned binding agreements, the total number of shares in respect of which undertakings have been received by the Offerors from shareholders of IAC to accept the Offer is one billion eight hundred and eighty million six hundred and ninety three thousand ten (1,880,693,010) shares amounting to approximately 50.16% of the total issued ordinary shares in IAC. Other than the aforesaid undertakings, the Offerors have not received any undertaking from any shareholder of IAC either accepting or not accepting the Offer.

2.4. The Offer is subject to and conditional upon the Offerors acquiring more than 50% of the shares of IAC pursuant to the Offer. Upon the said Mr. Ramanan Govindasamy and Mr. Srikumar

Balasubramaniyam tendering their acceptance of the Offer to the Offerors in respect of an aggregate of 50.16% of the total issued ordinary shares in IAC in pursuance of the binding agreements entered into by each of them with the Offerors, the Offer shall automatically convert to a mandatory offer in terms of Rule 31 of the Code. The Offerors further declare that the Offerors have not acquired any shares in IAC within the twelve (12) month period prior to the commencement of the period of the Offer as set out in Rule 31(3) of the Code.

2.5. The Offer shall be unconditional as to acceptances once Mr. Ramanan Govindasamy and Mr. Srikumar Balasubramaniyam accept the Offer and a further announcement will be made to the market with the relevant information.

"Unconditional as to acceptances" in any context relating to an offer means that the offeror must accept and pay for all shares tendered at the offer price, while the shareholders of the Offeree lose their right to withdraw the shares.

2.6. The Offer to be made by the Offerors as herein contemplated will be open to all shareholders of IAC registered in the records of IAC at the closure of the Offer.

2.7. The Offer is made by the Offerors to acquire shares in IAC under the Offer in equal number. Once the acceptances are received from shareholders of IAC, each Offeror will purchase 50% of the shares tendered by the shareholders of IAC.

2.8. The shares to be acquired under the Offer must be free from all liens, claims, charges, pledges, third-party rights and other encumbrances and together with all rights now or hereafter attached thereto including other profits, dividends and distributions (if any) declared and made or paid thereon.

3. THE OFFERORS

3.1. ARCASIA is a private limited liability company incorporated in Sri Lanka on 24th August 2019 bearing company number PV 00214802 and having its registered office at No. 37 1/1, Pedris Road, Colombo 03. The principal activities of ARCASIA include making and managing investments, engaging in trading operations and conducting related commercial activities.

3.2. ATX is a private limited company incorporated in Sri Lanka on 1st February 2024 bearing company number PV 00293285 and having its registered office at Level 3, No.100/1, Elvitigala Mawatha, Colombo 08. The principal activities of ATX include retail trade and related commercial activities.

3.3. ARCASIA and ATX are acting in concert with each other within the meaning of the Code, in making the Offer and acquiring shares of IAC under the Offer.

4. EXISTING SHAREHOLDING IN THE OFFEREE

At the time of making the Offer, there are no existing shareholdings in IAC which are owned or controlled by the Offerors or any person acting in concert with the Offerors.

5. FURTHER DETAILS OF THE OFFER

5.1. A detailed offer document giving other relevant information including the period during which the Offer would be kept open in terms of the Code ("**Offer Document**"), will be forwarded to the board of directors and all shareholders of IAC within twenty eight (28) days of this announcement as required by Rule 13(1) of the Code.

5.2. Any shareholder in IAC who does not receive a copy of the Offer Document due to a postal delay or any other reason is advised to collect a copy of the Offer Document from Corporate Services (Private) Limited, Registrars to the Offer, having its corporate office at 216, de Saram Place.

For and on behalf of the board of directors of each Offeror, we, the undersigned, comprising of a director representing each Offeror, do hereby declare and confirm that this announcement has been seen and approved by the board of directors of each Offeror and the directors collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this announcement and confirm that to the best of knowledge and belief of the board of directors, there are no other facts, omission of which would make any statements herein misleading in any material respect.

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Aravinda De Silva	Sharad Sridharan
Director	Director
Arcasia Investment & Trading (Pvt) Ltd	**ATX Partners (Pvt) Ltd**

Date: 24th July 2026.