HAYLEYS PLC
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The World Of Hayleys Since 1878

THE ANNOUNCEMENT UNDER THE COMPANY TAKEOVERS AND MERGERS CODE 1995 (AS AMENDED IN 2003) AND GAZETTED IN THE GAZETTE EXTRAORDINARY No. 875/9 DATED 16TH JUNE 1995 AND AMENDED BY GAZETTE NO.1299/ 6 DATED 29TH JULY 2003

Mandatory Offer by Hayleys PLC to purchase One Million One Hundred and Forty Thousand Six Hundred and Fifty Four (1,140,654) ordinary voting shares constituting 59.42% of shares in issue of Harishchandra Mills PLC

Background to the Offer

Hayleys PLC, a company registered in Sri Lanka bearing registration number PQ22, and having is registered office at No. 400, Deans Rd, Colombo 10, on 17th October 2025 acquired Seven Hundred and Seventy Eight Thousand Nine Hundred and Forty Six (778,946) shares constituting 40.58% of the total number of ordinary voting shares in issue of Harishchandra Mills PLC, at a price of Rupees Three Thousand Three Hundred (Rs. 3,300/-) per share.

Consequently Hayleys PLC became obliged in terms of Rule 31 (1)(a) of the Company Takeovers and Mergers Code 1995 (as amended in 2003)('the Code') to make an offer to the remaining shareholders of the said company, to purchase the balance ordinary voting shares in issue amounting to One Million One Hundred and Forty Thousand Six Hundred and Fifty Four (1,140,654) ordinary voting shares constituting 59.42% of shares at a price of Rupees Three Thousand Three Hundred (Rs. 3,300/-) per share being the highest price paid by Hayleys PLC for the shares of Harishchandra Mills PLC in terms of Rule 31 (3) of the Code.

Rule 31(1)(a) of the Code states as follows;

"Where any person acquires whether by a series of transactions over a period of time or otherwise, shares which taken together with shares held or acquired by persons acting in concert with such person, carry Thirty per centum or more of the voting rights of a company such person shall extend within thirty five days, an offer in accordance with rule 31(1) to the holders of any class of equity shares which carry voting rights and in which such person or persons acting in concert with him hold shares."

There are no other parties acting in concert with the Offeror pertaining to the acquisition of shares in Harischandra.

1. **Terms of the Offer**

Hayleys PLC (hereinafter referred to as the 'Offeror') offers to purchase from the shareholders of Harishchandra Mills PLC (hereinafter referred to as the 'Offeree') One Million One Hundred and Forty Thousand Six Hundred and Fifty Four (1,140,654) ordinary voting shares constituting 59.42% of shares at a price of Rupees Three Thousand Three Hundred (Rs. 3,300/-) per share (being the highest price paid by Hayleys PLC for the acquisition of the shares of the Offeree on 17th October 2025).

The Offeror paid Rupees Three Thousand Three Hundred (Rs. 3,300/-) per share (which is the highest price paid by the Offeror during the period from 16th October 2024 to 17th October 2025 for Seven Hundred and Seventy Eight Thousand Nine Hundred and Forty Six (778,946) ordinary voting shares which were acquired by the Offeror on 17th October 2025 which amounts to 40.58% of the issued shares of Harischandra Mills PLC.

The offer to be made by the Offeror herein contemplated shall be open to all the ordinary voting shareholders of the Offeree registered in the books of the Offeree at the close of the Offer.

II. **<u>The identity of the Offeror</u>**

Hayleys PLC is a public quoted company incorporated in 1952, bearing Company registration number PQ 22 and having its registered office at No 400, Deans Road Colombo 10. The Hayleys Group is a leading diversified conglomerate in Sri Lanka, and one of the country's largest value-added exporters. Hayleys accounts for approximately 5% of Sri Lanka's export income, with business interests in 16 diverse sectors, catering to over 80 markets worldwide. Hayleys commands leading market positions in several key sectors, such as transportation and logistics, retail, household and industrial gloves and is the world's largest manufacturer of coconut-shell based activated carbon.

Through a vibrant history of 147 years, Hayleys has nurtured deep-rooted relationships across the country's agricultural and smallholder supply chains, distribution networks and customer segments, delivering significant socio-economic value to its diverse stakeholders. The Group provides direct employment to over 38,000 individuals and sustains the livelihoods of more than 2 million Sri Lankans, underscoring its pivotal role in advancing inclusive and sustainable economic growth.

III. **Existing Shareholders in the Offeree Company**

(aa)	The number of Offeree shares the Offeror owns or over which the Offeror has control	778,946
(bb)	The number of Offeree shares owned or controlled by any person acting in concert with the Offeror	Nil
(cc)	The number of Offeree shares in respect of which the Offeror has received an undertaking by any shareholder to accept the Offer	Nil

IV. **Further details of the Offer**

A detailed Mandatory Offer Document giving other relevant information including the period during which the Offer would be kept open in terms of the aforesaid Code will be forwarded to all shareholders of the Offeree within thirty five (35) days from the date of incurring the obligation to make the Mandatory Offer.

A shareholder who does not receive a copy of the Mandatory Offer document due to a postal delay or any other reason is advised to collect a copy of the Mandatory Offer document from the Registrars to the offer, Hayleys Group Services (Private) Limited, No 400, Deans Road, Colombo 10. Contact No. 011 2627652 or 011 2627653.

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We, Directors of Hayleys PLC do hereby declare and confirm that this Announcement has been seen and approved by us and that we as the Board of Directors, collectively and individually accept full responsibility for the accuracy and completeness of the information given in this announcement and we confirm to the best of our knowledge that there are no other facts the omission of which would make any statement here in misleading.

Chairman & Chief Executive
Hayleys PLC

Executive Director
Hayleys PLC